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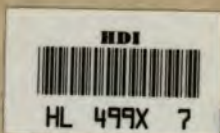
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**MASSACHUSETTS**

**Corporation Law**

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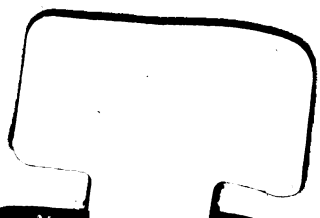
**Public statutes relating to  
manufacturing and other  
corporations**

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PUBLIC STATUTES

RELATING TO

MANUFACTURING AND OTHER  
CORPORATIONS,

ORGANIZED UNDER GENERAL LAWS,

WHOSE ORGANIZATIONS

MUST BE EXAMINED BY THE COMMISSIONER OF CORPORATIONS.

PREPARED UNDER THE DIRECTION OF THE COMMISSIONER  
OF CORPORATIONS.

BOSTON:

Rand, Avery, & Co., Printers to the Commonwealth,

117 FRANKLIN STREET.

1882.

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1882. Sept. 25

By mail.

# Commonwealth of Massachusetts.

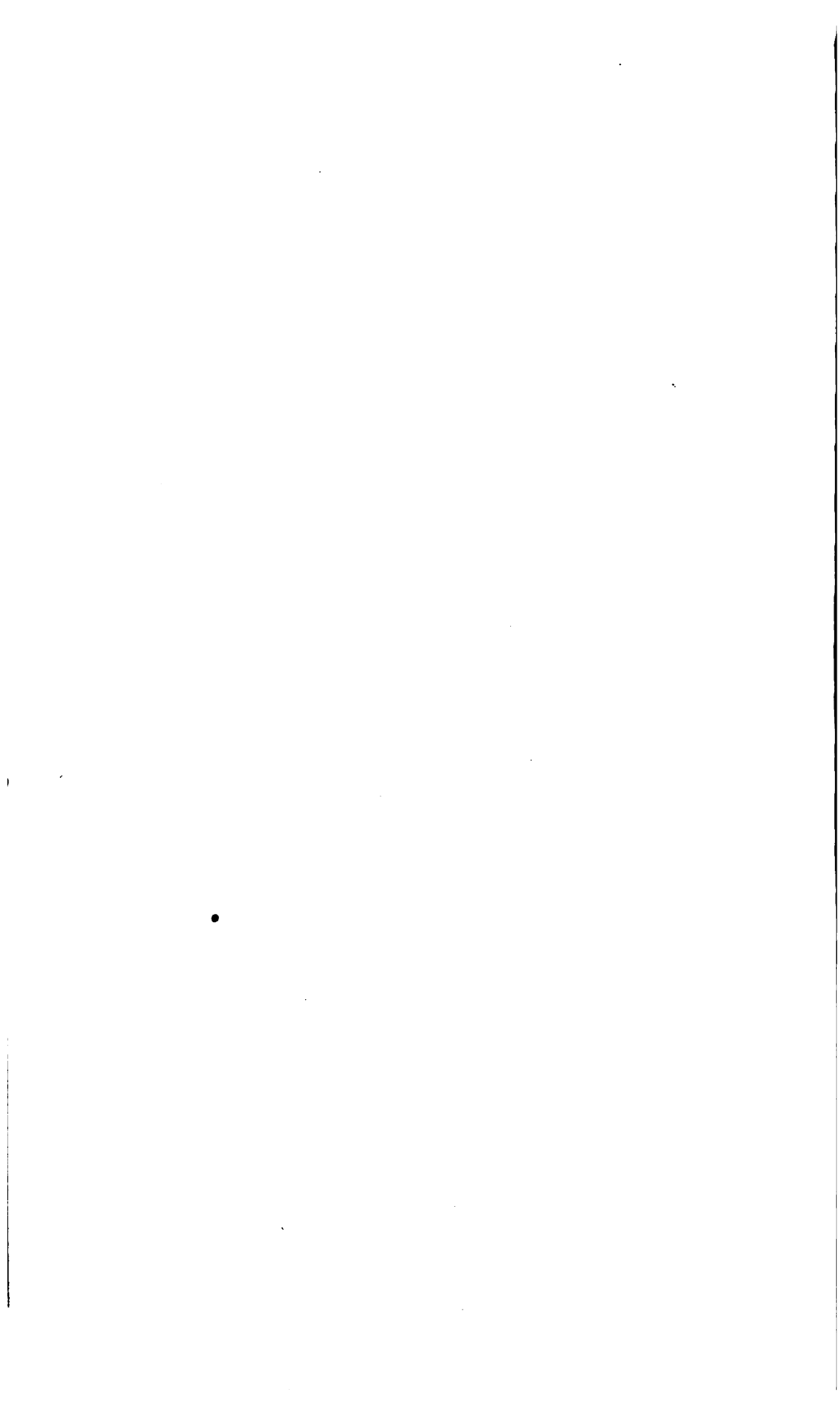
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OFFICE OF COMMISSIONER OF CORPORATIONS,  
BOSTON, Feb. 1, 1882.

THIS edition of the Public Statutes, relating to corporations, so far as such corporations come within the province of the Commissioner of Corporations, has been prepared for the convenience of parties interested.

Suitable blanks for agreements and certificates required under these statutes can be had at any time, free of expense, upon application to the Commissioner.

CHAS. ENDICOTT,  
*Commissioner.*



# PUBLIC STATUTES.

[CHAPTER 40.]

## OF LIBRARY CORPORATIONS.

An Act to provide for the **FORMATION** of **LIBRARY CORPORATIONS**.

**SECT. 16.** Three or more persons within this commonwealth who associate themselves together by an agreement in writing, such as is described in section sixteen of chapter one hundred and six, with the intention of forming a corporation, under any name by them assumed, for the purpose of establishing and maintaining a public library with or without reading-rooms connected therewith, shall become a corporation upon complying with the provisions of sections seventeen, eighteen, twenty, and twenty-one of said chapter, and shall remain a corporation with all the powers, rights, and privileges, and subject to all the duties, restrictions, and liabilities, applicable to such corporations.

Organization of public library corporations. 1872, 217, § 1.

**SECT. 17.** Any name may be assumed by such corporation which is not in use by an existing corporation or association, and which contains the word "library." Upon filing the certificate named in section twenty-one of chapter one hundred and six with the indorsement of the commissioner of corporations thereon, and the payment of the fees named in section eighty-four of said chapter, the secretary of the commonwealth shall sign and issue to such corporation a certificate in the form prescribed and having the force and effect named in said section twenty-one of said chapter.

Name of corporation, and certificate of its organization. 1872, 217, § 2.

**SECT. 18.** Any existing library association organized under general laws may, by complying with the provisions of section twenty-two of chapter one hundred and six and payment of the fees aforesaid, obtain of the secretary of the commonwealth the certificate therein prescribed.

Certificate of organization of existing corporations. 1872, 217, § 3.



Powers of  
public library  
corporations.  
1872, 217, § 4.

SECT. 19. A corporation formed under section sixteen may hold real and personal estate necessary for the purposes of its organization, to the amount named in its agreement of association, not exceeding fifty thousand dollars, exclusive of books, papers, collections in natural history, and works of art; and may receive and hold for the purposes aforesaid any grants, donations, or bequests under such lawful conditions and rules as may be prescribed therein.

Such a corpora-  
tion need not  
have a capital  
stock.  
1872, 326.

SECT. 20. Nothing contained in the four preceding sections shall be construed to require a corporation formed in accordance with the provisions thereof to have a capital stock, when a different provision is made in the agreement of association.

**PUBLIC STATUTES.**

[CHAPTER 103.]

**Of certain POWERS, DUTIES, and LIABILITIES of CORPORATIONS.**

**SECTION 1.** The provisions of this chapter, unless expressly limited in their application, shall apply to all corporations organized under or by the laws of this commonwealth, except so far as they are inconsistent with other provisions of these statutes concerning particular classes of corporations.

Provisions of this chapter to apply to all corporations, except, etc.

**SECT. 2.** Corporations now existing shall continue to exercise and enjoy their powers and privileges according to their respective charters and to the laws now in force, and shall continue subject to all the liabilities to which they are now subject; except so far as said powers, privileges, and liabilities are modified or controlled by the provisions of these statutes; and all corporations organized under general laws shall be subject to such laws as may be hereafter passed, and applicable thereto.

Existing corporations to continue, and to have the same powers and liabilities, except, etc. G. S. 68, § 40.

**SECT. 3.** Every act of incorporation passed after the eleventh day of March in the year eighteen hundred and thirty-one shall be subject to amendment, alteration, or repeal at the pleasure of the general court: but the corporation, notwithstanding such repeal, shall be subject to the provisions of sections forty-one and forty-two; and such amendment, alteration, or repeal shall not take away or impair any other remedy which may exist by law consistently with those sections against the corporation, its members or officers, for a liability previously incurred.

Certain charters to be subject to alteration or repeal. G. S. 68, § 41. 6 Cush. 424. 9 Cush. 804. 4 Gray, 227. 13 Gray, 289. 15 Gray, 106. 4 Allen, 198. 6 Allen, 230. 11 Allen, 268. 13 Allen, 29. 103 Mass. 254. 104 Mass. 446.

109 Mass. 103, 508.

118 Mass. 290, 561.

123 Mass. 32.

**SECT. 4.** Every corporation, where no other provision is specially made, may in its corporate name sue and be sued, appear, prosecute, and defend to final judgment and execution; have a common seal, which it may alter at pleasure; elect in such manner as it may determine all necessary officers, fix their compensation, and define their duties and obligations; and make by-laws and regulations

Corporations, general powers of. G. S. 68, § 1. 10 Mass. 91. 16 Pick. 274. 7 Met. 592. 10 Gray, 582.

consistent with law, for its own government, the due and orderly conducting of its affairs, and the management of its property.

Corporations  
may make  
by-laws.  
G. S. 68, § 7.  
8 Met. 301, 321.

SECT. 5. Every corporation may by its by-laws, where no other provision is specially made, determine the manner of calling and conducting its meetings; the number of members that shall constitute a quorum; the number of shares that shall entitle the members to one or more votes; the mode of voting by proxy; the mode of selling shares for the payment of assessments; and the tenure of office of the several officers; and may annex suitable penalties to such by-laws, not exceeding twenty dollars for one offence; but no by-law shall be made by a corporation repugnant to law or to its charter.

may convey  
lands.  
G. S. 68, § 8.  
11 Allen, 65.

for carrying  
on mechanical  
or manufactur-  
ing business  
may change  
locations, etc.  
1877, 67.

SECT. 6. Every corporation may convey lands to which it has a legal title.

SECT. 7. A corporation organized under general laws or created by special charter, for the purpose of carrying on a mechanical or manufacturing business in a city or town named in its organization or charter, may extend or remove its business or any part thereof to any other city or town in this commonwealth, and may purchase, hold, and convey so much real and personal estate in such other city or town as may be necessary for the purpose of carrying on its business therein.

created by  
special charter,  
when to be  
organized.  
G. S. 68, § 2.

first meeting  
of, how notified.  
G. S. 68, § 3.  
16 Mass. 94.  
3 Met. 282.  
11 Cush. 369.  
12 Allen, 362.  
98 Mass. 98.  
101 Mass. 385.

SECT. 8. A corporation created by charter, if no time is limited therein, shall be organized within two years from the passage of its act of incorporation.

SECT. 9. The first meeting of any such corporation, unless otherwise provided in its act of incorporation, shall be called by a notice signed by the person or a majority of the persons named therein, setting forth the time, place, and purposes of the meeting, and delivered seven days at least before the meeting to each member, or published in some newspaper of the county where the corporation is established, or, if there is no such paper, then in some newspaper of an adjoining county. The persons so named and their associate subscribers to stock before the date of the act shall be authorized to hold the franchise or privileges granted until the corporation is organized. The notice of the first meeting of an incorporated religious society may be affixed to the door or to some other conspicuous part of its meeting-house.

First meeting  
of corporations  
organized under  
general laws.  
G. S. 68, § 4.

SECT. 10. The first meeting of a corporation organized under general laws which make no provision for the calling thereof may be called in the manner set forth in the

articles of association, or, if they make no provision, by a notice signed by a majority of the associates, and published in the manner prescribed in the preceding section.

SECT. 11. When by reason of the death, absence, or other legal impediment of the officers of a corporation there is no person duly authorized to call or preside at a legal meeting, a justice of the peace may, on a written application of three or more of the members, issue a warrant to either of them, directing him to call a meeting by giving such notice as had been previously required by law; and the justice may in the same warrant direct such person to preside at the meeting until a clerk is duly chosen and qualified, if no officer is present legally authorized to preside.

In case of death, etc., of officers, justice may call meeting.  
G. S. 68, § 5.

SECT. 12. A corporation when so assembled may elect officers to fill all vacancies, and act upon such other business as may by law be transacted at a regular meeting.

Officers may be elected, etc.  
G. S. 68, § 6.

SECT. 13. An executor, administrator, guardian, or trustee shall represent the shares or stock in his hands at all meetings of the corporation, and may vote as a stockholder.

Executors, etc., may vote.  
G. S. 68, § 11.  
9 Cush. 192.  
101 Mass. 398.

SECT. 14. No officer of a corporation, unless otherwise expressly provided by law, shall as proxy or attorney cast more votes than represent twenty shares of the capital stock, unless all the shares so represented by him are owned by one person, nor ask for, receive, procure to be obtained, or use any proxy vote therein, except the votes he is hereby authorized to cast. No salaried officer of a corporation shall vote as proxy or attorney.

Proxy voting by officers, how regulated.  
1865, 236, § 1.  
1870, 224, § 19.  
1872, 230.  
8 Allen, 217.

SECT. 15. An officer of a corporation who violates any provision of the preceding section shall forfeit not less than one hundred nor more than five hundred dollars for each offence; and the supreme judicial court, upon petition of a stockholder in such corporation, and after due notice and proof of such offence, shall cause such officer to be forthwith removed from his office; and such removal shall forever after disqualify him from holding office in such corporation.

Penalty, and remedy for violation.  
1865, 236, § 2.

SECT. 16. The par value of shares in the capital stock of every corporation hereafter organized, unless otherwise expressly provided by law, shall be one hundred dollars; and any corporation heretofore organized with shares of a par value other than said sum may change the par value to one hundred dollars.

Par value of shares to be one hundred dollars; may be changed to that sum.  
1873, 37.

SECT. 17. No corporation, unless specially authorized, shall issue any share for a less amount to be actually paid

Shares not to be issued for less than par.

G. S. 68, § 9.  
1873, 37.

Telegraph and  
gas companies  
not to make  
stock dividend,  
etc.  
1868, 310, § 1.

Certificates void  
if issued in vio-  
lation, and di-  
rectors liable,  
unless, etc.  
1868, 310, § 2.

Stockholders to  
have notice of  
increase of capi-  
tal, and oppor-  
tunity to take  
same propor-  
tionally at par.  
Shares not so  
taken to be sold  
at auction.  
1870, 179.  
1871, 392, § 4.

Treasurer, etc.,  
to keep, etc.,  
list of stock-  
holders, etc.  
Penalty.  
G. S. 68, § 10.

Corporations to  
register names,  
etc., of stock-  
holders, and not  
issue certifi-  
cates, etc., when  
residence is  
unknown.  
1864, 201, § 1.

in thereon than the par value of the shares first issued or fixed by a change made under the preceding section.

SECT. 18. No telegraph or gas-light company chartered under the laws of this commonwealth shall declare any stock dividend, or divide the proceeds of the sale of stock among its stockholders; nor create any additional new stock or issue certificates thereof to any person whatever, unless the par value of the shares so issued is first paid in cash to its treasurer.

SECT. 19. All certificates of stock issued in violation of the preceding section shall be void; and the directors of the corporation issuing the same shall be liable to a penalty of one thousand dollars each, to be recovered by indictment in any county where any of them reside; but if any such director proves that before such issue he filed his dissent in writing thereto with the clerk, or was absent and at no time voted therefor, he shall not be so liable.

SECT. 20. When a corporation increases its capital stock, if no other provision is made by law, its directors shall give notice in writing thereof to each stockholder who was such at the date of the vote to increase, stating the amount of the increase, the number of shares or fractions of shares of the new stock which such stockholder is entitled to take, and the time not less than thirty days from the giving of such notice within which such new stock shall be taken; and within said time each stockholder may take at par his proportion of such new shares, according to the number of his shares at the date of such vote to increase; and if, after the expiration of said time, any shares remain untaken, the directors shall sell the same at public auction for the benefit of the corporation, but shall not sell or issue any shares for less than the par value thereof.

SECT. 21. The treasurer or cashier of every corporation shall keep an accurate list of its stockholders with the number of shares owned by each, which shall at all times, upon written application by a stockholder, be exhibited for his inspection. If such officer refuses so to exhibit such list, he shall forfeit fifty dollars for each offence.

SECT. 22. Every corporation shall register the names and residences of all its shareholders, and all changes therein of which it is notified; shall issue no certificate of stock to a shareholder or purchaser of a share until he informs the corporation of his actual place of residence; and shall pay no dividend to a shareholder whose actual

place of residence is unknown or has become uncertain, until he informs the corporation thereof.

SECT. 23. All records of transfers of stock in any corporation created by the sole authority of this commonwealth shall be made and kept therein. The officer of every such corporation whose duty it is to record such transfers shall at the time of his appointment be a resident within the commonwealth; and when he ceases to be such resident, the office shall become vacant.

Records of transfers to be made and kept in the state. G. S. 68, § 12.

SECT. 24. No sale, assignment, or transfer of stock in a corporation shall affect the right of the corporation to pay any dividend due upon the same, or affect the title or rights of an attaching creditor, until it is recorded upon the books of the corporation or a new certificate is issued to the person to whom it has been transferred; but no attachment of such stock as the property of the vendor, made after such sale, assignment, or transfer, shall defeat the title or affect the rights of the vendee, if such record is made or a new certificate issued within ten days after such transfer is made.

Transfers, etc., not to affect rights of corporation or of attaching creditors until recorded. Attachment invalid against vendee, if transfer is recorded in ten days. 1881, 302, § 1.

SECT. 25. In transfers of stock as collateral security, the debt or duty which such transfer is intended to secure shall be substantially described in the deed or instrument of transfer. A certificate of stock issued to a pledgee or holder of such collateral security shall express on the face of it that the same is so holden; and the name of the pledger shall be stated therein, who alone shall be responsible as a stockholder.

In transfers of stock as security, debt to be described, etc. G. S. 68, § 13. 11 Cush. 188. 15 Gray, 216. 10 Allen, 505. 127 Mass. 563.

SECT. 26. The treasurer, cashier, or other officer who has the lawful custody of the records of transfers of shares, upon the written request of a creditor of the general owner of stock pledged or transferred, shall exhibit to him the record of such transfer; and in case of refusal and of loss to the creditor by reason thereof, the corporation shall be liable for the amount of the loss.

Record of transfer to be exhibited to creditors upon request. G. S. 68, § 14. 9 Cush. 192.

SECT. 27. Each corporation in this commonwealth shall once in every five years publish in some newspaper in the city of Boston, and also in some newspaper, if there is any, in the county where the corporation is established, a list of all dividends and balances which have remained unclaimed for two years or more, with the names of the persons to whose credit the dividends or balances stand; which publication shall be continued in three successive papers.

List of unclaimed dividends, etc., to be published. G. S. 68, § 19.

SECT. 28. Corporations created by any other state, having property in this commonwealth, shall be liable to

Foreign corporations may be sued, and their

property attached.  
 G. S. 68, § 15.  
 10 Mass. 91.  
 16 Pick. 274.  
 3 Met. 420.  
 6 Met. 391.  
 10 Gray, 164.  
 15 Gray, 491.  
 99 Mass. 267.

Warrants of distress against corporations for damages, etc.  
 G. S. 68, § 24.

Franchise, etc., how attached on mesne process.  
 G. S. 68, § 25.  
 5 Cush. 509.  
 11 Allen, 71.

may be sold on execution, etc.  
 G. S. 68, § 26.  
 5 Cush. 509.

Mode of sale, etc.  
 G. S. 68, § 27.

be sued and their property shall be subject to attachment in like manner as residents of other states having property in this commonwealth are liable to be sued and their property to be attached. The service of the writ shall be made in the manner provided in chapters one hundred and sixty-one and one hundred and sixty-four, with such further service as the court to which the writ is returnable may order.

SECT. 29. When damages have been assessed in favor of a person, either by an order of county commissioners or by the verdict of a jury, for an injury sustained in his property by the doings of any corporation (except railroads) authorized to receive toll, and the damages remain unpaid for thirty days after the order or verdict, such person may have a warrant of distress against the corporation for the damages assessed, together with interest thereon and his reasonable costs.

SECT. 30. The franchise of a corporation authorized to receive toll, and all the rights and privileges thereof, shall be liable to attachment on mesne process; and when such attachment or other service of mesne process is made on a corporation, the officer serving the same shall leave an attested copy of the process and of his return thereon with the clerk, treasurer, or some one of the directors of the corporation, fourteen days at least before the day of the sitting of the court to which the same is returnable.

SECT. 31. When a judgment is recovered against a corporation authorized to receive toll, its franchise, with all the rights and privileges thereof so far as relate to the receiving of toll, and also all other corporate property real and personal, may be taken on execution or warrant of distress and sold by public auction.

SECT. 32. The officer having such execution or warrant of distress shall, thirty days at least before the day of sale of any franchise or other corporate personal property, give notice of the time and place of sale by posting up a notification thereof in any city or town in which the clerk, treasurer, or any one of the directors dwells, and also by causing an advertisement of the sale, expressing the name of the creditor, the amount of the execution, and the time and place of sale, to be inserted three weeks successively in some newspaper published in any county in which either of said officers of the corporation dwells, if any such there is; the last of which publications shall be at least four days before the day of sale.

SECT. 33. The officer who levies such execution or warrant of distress may adjourn the sale for a time not exceeding seven days, and so from time to time until the sale is completed.

Sale may be adjourned.  
G. S. 68, § 28.

SECT. 34. In the sale of such franchise, the person who satisfies the execution or warrant of distress with all legal fees and expenses thereon, and who agrees to take such franchise for the shortest period of time and to receive during that time all such toll as the corporation would by law be entitled to demand, shall be considered as the highest bidder.

Who shall be deemed highest bidder.  
G. S. 68, § 29.

SECT. 35. The officer's return on the execution or warrant of distress shall transfer to the purchaser all the privileges and immunities of the corporation, so far as relate to the right of demanding toll; and the officer shall immediately after the sale deliver to the purchaser possession of all the toll-houses and gates belonging to the corporation, in whatever county the same are situated; and the purchaser may thereupon demand and receive to his own use all the toll which accrues within the time limited by the term of his purchase, in the same manner and under the same regulations as the corporation was before authorized to demand and receive the same.

Officer's return to transfer the right of toll, etc.  
G. S. 68, § 30.

SECT. 36. A person who has purchased the franchise of a corporation under a sale upon execution or warrant of distress, and the assignee of such person, may recover in an action of tort any penalties imposed by law for an injury to the franchise or for other cause, and which such corporation would have been entitled to recover during the time limited in the purchase of the franchise; and during that time the corporation shall not be entitled to prosecute for such penalties.

Purchaser to have same remedies for damages as corporation.  
G. S. 68, § 31.

SECT. 37. The corporation whose franchise has been so sold shall in all other respects retain its powers, be bound to the discharge of its duties, and liable to the same penalties and forfeitures as before the sale.

Liabilities to continue.  
G. S. 68, § 32.

SECT. 38. The corporation may at any time within three months from the time of sale redeem the franchise by paying or tendering to the purchaser the sum that he paid, with twelve per cent interest thereon, but without any allowance for the toll which he has received; and upon such payment or tender the franchise and all the rights and privileges thereof shall revert and belong to the corporation as if no such sale had been made.

Corporation may redeem franchise.  
G. S. 68, § 33.

SECT. 39. All proceedings respecting attachments and the levy of executions or warrants of distress may be had

Proceedings, where had.  
G. S. 68, § 34.



in any county in which the creditor, president, treasurer, clerk, or a director of the corporation, resides.

Corporations may be dissolved upon petition, etc.  
G. S. 68, § 35.  
7 Gray, 113, 393.  
9 Gray, 34.  
13 Allen, 497.  
99 Mass. 267.  
119 Mass. 447.

SECT. 40. When a majority in number or interest of the members of a corporation desire to close its concerns, they may apply by petition to the supreme judicial court, setting forth in substance the grounds of their application, and the court, after due notice to all parties interested and a hearing, may for reasonable cause decree a dissolution of the corporation. A corporation so dissolved shall be deemed and held extinct in all respects as if its corporate existence had expired by its own limitation.

to continue three years after charter expires, to close concerns.  
G. S. 68, § 36.  
16 Mass. 245.  
123 Mass. 32.

SECT. 41. Every corporation whose charter expires by its own limitation or is annulled by forfeiture or otherwise, or whose corporate existence for other purposes is terminated in any other manner, shall nevertheless be continued as a body corporate for the term of three years after the time when it would have been so dissolved, for the purpose of prosecuting and defending suits by or against it, and of enabling it gradually to settle and close its concerns, to dispose of and convey its property, and to divide its capital stock, but not for the purpose of continuing the business for which it was established.

When corporations expire, etc., receivers to be appointed.  
G. S. 68, § 37.  
7 Met. 595.

SECT. 42. When the charter of a corporation expires or is annulled, or the corporation is dissolved as provided in section forty, or its corporate existence for other purposes is terminated in any other manner, the supreme judicial court, on application of a creditor, stockholder, or member, at any time within said three years, may appoint one or more persons to be receivers to take charge of its estate and effects, and to collect the debts and property due and belonging to it; with power to prosecute and defend suits in its name or otherwise, to appoint agents under them, and to do all other acts which might be done by such corporation, if in being, that are necessary for the final settlement of its unfinished business. The powers of such receivers may be continued as long as the court deems necessary for said purposes.

Equity jurisdiction of supreme judicial court.  
G. S. 68, § 38.  
7 Met. 341.

SECT. 43. The court shall have jurisdiction in equity of the application and of all questions arising in the proceedings thereon; and may make such orders, injunctions, and decrees therein as justice and equity require.

Receivers to pay debts and distribute surplus.  
G. S. 68, § 39.  
1 Gray, 382.  
13 Allen, 497.

SECT. 44. The receivers shall pay all debts due from the corporation, if the funds in their hands are sufficient therefor; and if not, they shall distribute the same ratably among the creditors who prove their debts in the manner directed by any order or decree of the court for that pur-

pose. If there is a balance remaining after the payment of the debts, the receivers shall distribute and pay it to and among those who are justly entitled thereto as having been stockholders or members of the corporation, or their legal representatives.

SECT. 45. When a corporation is dissolved by the supreme judicial court, the clerk of the courts for the county in which the decree or order for dissolution is made shall forthwith make return thereof to the secretary of the commonwealth, giving the name of the corporation dissolved, and the date upon which such order or decree was made.

Returns to be made to secretary when a corporation is dissolved by the court. 1880, 157.

## PUBLIC STATUTES.

[CHAPTER 106.]

## OF MANUFACTURING AND OTHER CORPORATIONS.

## COMMISSIONER OF CORPORATIONS.

Commissioner of corporations to be sworn; his duties, etc. 1870, 224, § 61. 1879, 288, § 1. See c. 13, §§ 1, 2.

SECTION 1. The commissioner of corporations shall be sworn to the faithful discharge of his duties. He shall examine the certificates submitted to him under the provisions of these statutes, and make suitable indorsements upon such as conform to the requirements of law. He shall keep a record of the names of corporations submitting certificates to his inspection, with the date of inspection and of his certificates when given, and the result in brief of his inspection. He shall bring instances of neglect or of omission to comply with the provisions of this chapter on the part of corporations to the knowledge of the attorney-general, for the enforcement of the penalties therefor. He shall not receive any fees for the performance of his duties.

Abstract of certificates to be submitted to general court. 1870, 224, § 62.

SECT. 2. The secretary of the commonwealth shall annually prepare, cause to be printed, and on the first Wednesday of January submit to the general court, a true abstract from the certificates required by this chapter to be deposited with him.

## CORPORATIONS GOVERNED BY THIS CHAPTER.

What corporations shall be governed by this chapter. 1870, 224, §§ 13, 64, 65. 1874, 295, § 1. 3 Pick. 455.

SECT. 3. All corporations organized or chartered under or subject to the provisions of this chapter, of chapter two hundred and twenty-four of the statutes of the year eighteen hundred and seventy, of the statutes in amendment thereof and in addition thereto, of chapter one hundred and eighty-seven or two hundred and ninety of the statutes of the year eighteen hundred and sixty-six, of chapter sixty or sixty-one of the General Statutes, of chapter one hundred and thirty-three of the statutes of the year eighteen hundred and fifty-one, or of chapter thirty-eight of the Revised Statutes, those established by special charters subsequently to the twenty-third day of February in the year eighteen hundred and thirty for the purpose of carrying on any kind of manufacture, and

those which in compliance with law have voted to adopt the provisions of chapter fifty-three of the statutes of the political year eighteen hundred and twenty-nine, of chapter thirty-eight of the Revised Statutes, of chapter sixty of the General Statutes, of chapter two hundred and twenty-four of the statutes of the year eighteen hundred and seventy, and have performed the things in that behalf prescribed in the several statutes so adopted, and those which shall comply with the following section and the respective officers and stockholders of all such corporations, may exercise the powers, and shall be governed by the provisions, and be subject to the liabilities, prescribed in this chapter.

SECT. 4. If any manufacturing corporation chartered before the twenty-third day of February in the year eighteen hundred and thirty, at a legal meeting called for the purpose, adopts this chapter, and causes to be recorded in the registry of deeds in the county or district where such corporation is established a certificate, signed by its president, treasurer, clerk, and a majority of its directors, stating the amount of its capital actually paid in, and, if any part thereof has been divided or withdrawn, the amount so divided and withdrawn, and also the amount of its debts and credits, and an estimate of the value of its real and personal estate for the purpose of carrying on its business at the time of making such certificate; and if such officers make oath that they have carefully examined the records and accounts of said corporation, and faithfully estimated the value of the property and funds thereof, and that said certificate by them signed is true according to their best knowledge and belief; then such corporation with its members and officers shall be entitled to all the rights, privileges, and immunities, and be subject to all the liabilities, duties, and restrictions, set forth in this chapter applicable to such corporations; and no stockholder therein shall be liable for any debts of the corporation contracted after the recording of such certificate, except for the causes and in the manner hereinafter provided.

Certain corporations may become subject to this chapter by recording certificate, etc. 1870, 224, § 65. 1874, 349, § 1, cl. 4.

**RIGHT OF REVOCATION, AMENDMENT, AND APPEAL.**

SECT. 5. The charter of any corporation which is subject to the provisions of this chapter may be revoked by the general court for any cause which it deems sufficient, and the provisions of this chapter may be amended or repealed so as to affect existing corporations at the pleas-

Charters may be revoked, corporations dissolved, and this chapter amended, etc. 1870, 224, §§ 67, 68.

ure of the general court, and it may, by special act, annul or dissolve any corporation which is subject to said provisions.

#### FORMATION OF CORPORATIONS.

#### *Purposes, Number of Associates, and Limits of Capital Stock.*

Persons may become a corporation.  
1870, 224, § 1.  
15 Gray, 211, 494.  
12 Allen, 273, 362.  
98 Mass. 98.  
101 Mass. 381, 385.

for mechanical, mining, or manufacturing business.  
1870, 224, § 2.  
1871, 110, § 1.  
1875, 177, § 3.  
101 Mass. 385.

for cutting, etc., ice; agricultural, horticultural, or quarrying business, or printing and publishing.  
1870, 224, § 2.  
101 Mass. 385.

for co-operative trade, etc.  
1870, 224, § 3.  
1879, 210.

for opening canals, etc., for propagation of herring and alewives.  
1870, 224, § 4.

for making gas and furnishing steam and hot water.  
1879, 202, § 1.

as common carriers of persons or property.

SECT. 6. Any such number of persons as is hereinafter provided, who associate themselves together by such an agreement in writing as is hereinafter described, with the intention of forming a corporation for any purpose hereinafter specified, upon complying with the provisions of section twenty-one, shall be and remain a corporation.

SECT. 7. For the purpose of carrying on any mechanical, mining, or manufacturing business, except that of distilling or manufacturing intoxicating liquors, three or more persons may associate themselves, with a capital of not less than five thousand nor more than one million dollars.

SECT. 8. For the purpose of cutting, storing, and selling ice, or of carrying on any agricultural, horticultural, or quarrying business, or of printing and publishing newspapers, periodicals, books, or engravings, three or more persons may associate themselves, with a capital of not less than five thousand nor more than five hundred thousand dollars.

SECT. 9. For the purpose of co-operation in carrying on any business authorized in the two preceding sections, and of co-operative trade, seven or more persons may associate themselves, with a capital of not less than one thousand nor more than one hundred thousand dollars.

SECT. 10. For the purpose of opening outlets, canals, or ditches for the introduction and propagation of herrings and alewives, three or more persons may associate themselves, with a capital of not less than one thousand nor more than five thousand dollars.

SECT. 11. For the purpose of making and selling gas for light, or for the purpose of generating and furnishing steam or hot water for heating, cooking, and mechanical power in any city or town, or for either or both of said purposes, ten or more persons may associate themselves, with a capital of not less than five thousand nor more than five hundred thousand dollars.

SECT. 12. For the purpose of transacting the business of a common carrier of persons or property, three or more persons may associate themselves, with a capital of not

less than five thousand nor more than one million dollars, with power to undertake for the carriage of persons or property beyond the limits of this commonwealth, but not to purchase or operate railroads, canals, or ferries.

1870, 224, § 6.  
1873, 179.

SECT. 13. For the purpose of erecting and maintaining a hotel or public hall, three or more persons may associate themselves, with a capital of not less than five thousand nor more than five hundred thousand dollars, but with no power to engage in the business of keeping a hotel.

Persons may become a corporation for erecting, etc., hotels and public halls.  
1872, 244.

SECT. 14. For the purpose of carrying on any lawful business not mentioned in the seven preceding sections, except buying and selling real estate, banking, insurance, and any other business the formation of corporations for which is otherwise regulated by these statutes, three or more persons may associate themselves, with a capital of not less than one thousand nor more than one million dollars.

for any other lawful business, except, etc.  
1874, 166.

SECT. 15. Any or all of the creditors of any corporation existing by authority of this commonwealth and organized or chartered for any purpose designated in this chapter, which has been adjudged bankrupt or insolvent or has made an assignment of its property for the benefit of its creditors, or any or all persons for whose benefit such corporation has assigned the whole or any part of its property, and such other person or persons in either case as they may select, may associate themselves for the purpose of forming a corporation to acquire the whole or any part of the property of such bankrupt or insolvent corporation, or of that assigned for the benefit of its creditors, and to carry on the business previously authorized to be carried on by said bankrupt or insolvent corporation.

to take up business and property of bankrupt, etc., corporation.  
1879, 275, §§ 1, 4.

*Agreement, Name, and Organization.*

SECT. 16. Such agreement shall set forth the fact that the subscribers thereto associate themselves together with the intention of forming a corporation, the corporate name assumed, the purpose for which it is formed, the town or city, which shall be in this commonwealth, in which it is established or located, the amount of its capital stock, and the par value and number of its shares.

Contents of agreement.  
1870, 224, § 7.  
pt. 1st.  
97 Mass. 494.

SECT. 17. Any corporate name may be assumed which indicates that it is a corporation, and which is not in use by an existing corporation or company; and the name assumed shall be changed only by act of the general court.

Corporate name.  
1870, 224, § 8.  
1875, 225.

If organized for the purposes mentioned in sections nine or ten, the words "co-operative," or "fishing," respectively, shall form part of the name.

First meeting,  
how called and  
notified.  
1870, 224, § 9.

SECT. 18. The first meeting shall be called by a notice signed by one or more of the subscribers to such agreement, stating the time, place, and purpose of the meeting, a copy of which notice shall, seven days at least before the day appointed for the meeting, be given to each subscriber, or left at his usual place of business or place of residence, or deposited in the post-office, postpaid, and addressed to him at his usual place of business or of residence. And whoever gives such notices shall make affidavit of his doings, which shall be recorded in the records of the corporation.

Subscribers to  
hold franchise;  
may take equal  
number of  
shares at first  
meeting.  
1870, 224, § 30.  
101 Mass. 363.

SECT. 19. Until the organization is completed, the subscribers to the agreement of association shall hold the franchise; and if it is not otherwise provided in such agreement, each subscriber may take an equal number of the shares in the capital stock upon paying the assessments thereon as called for by the corporation, if he elects to take such shares at the first meeting. All shares not so taken shall be disposed of as the corporation determines.

Organization;  
choice of  
officers;  
records.  
1870, 224, § 10.

SECT. 20. At such first meeting, including any necessary or reasonable adjournment, an organization shall be effected by the choice by ballot of a temporary clerk, who shall be sworn, and by the adoption of by-laws, and the election, in the manner provided in section twenty-four, of directors, treasurer, clerk, and such other officers as the by-laws may provide; but at such first meeting no person shall be eligible as a director who has not subscribed the agreement of association. The temporary clerk shall make and attest a record of the proceedings until the clerk has been chosen and sworn, including a record of such choice and qualification.

Certificate of  
organization to  
be made by the  
officers, ex-  
amined by the  
commissioner,  
and filed with  
the secretary of  
the common-  
wealth.  
1870, 224, § 11.

SECT. 21. The president, treasurer, and a majority of the directors, shall forthwith make, sign, and swear to a certificate setting forth a true copy of the agreement of association with the names of the subscribers thereto, the date of the first meeting, and the successive adjournments thereof, if any, and shall submit such certificate and also the records of the corporation to the commissioner of corporations, who shall examine the same, and who may require such other evidence as to the facts of the case as he may judge necessary. The commissioner, if it appears that the requirements of the preceding sections preliminary to the establishment of the corporation have been complied

with; shall certify that fact and his approval of the certificate by indorsement thereon. Such certificate shall thereupon be filed by said officers in the office of the secretary of the commonwealth, who, upon payment of the fee hereinafter provided, shall cause the same with the indorsement thereon to be recorded, and shall thereupon issue a certificate in the following form:—

Certificate to be issued by secretary.

**COMMONWEALTH OF MASSACHUSETTS.**

Be it known that whereas [here the names of the subscribers to the agreement of association shall be inserted] have associated themselves with the intention of forming a corporation under the name of [here the name of the corporation shall be inserted], for the purpose [here the purpose declared in the agreement of association shall be inserted], with a capital of [here the amount of capital fixed in the agreement of association shall be inserted], and have complied with the provisions of the statutes of this commonwealth in such case made and provided, as appears from the certificate of the president, treasurer, and directors of said corporation, duly approved by the commissioner of corporations and recorded in this office: now, therefore, I [here the name of the secretary shall be inserted], secretary of the Commonwealth of Massachusetts, do hereby certify that said [here the names of the subscribers to the agreement of association shall be inserted], their associates and successors, are legally organized and established as and are hereby made an existing corporation under the name of [here the name of the corporation shall be inserted], with the powers, rights, and privileges, and subject to the limitations, duties, and restrictions, which by law appertain thereto. Witness my official signature hereunto subscribed, and the seal of the Commonwealth of Massachusetts hereunto affixed, this \_\_\_\_\_ day of \_\_\_\_\_ in the year \_\_\_\_\_. [In these blanks the day, month, and year of execution of the certificate shall be inserted ]

The secretary shall sign the same and cause the seal of the commonwealth to be thereto affixed, and such certificate shall have the force and effect of a special charter, and shall be conclusive evidence of the existence of such corporation. He shall also cause a record of such certificate to be made, and a certified copy of such record may be given in evidence with like effect as the original certificate.

to have force of special charter, and be evidence of incorporation.

SECT. 22. Any corporation organized under the provisions of chapter one hundred and thirty-three of the statutes of the year eighteen hundred and fifty-one, chapter sixty-one of the General Statutes, or chapter one hundred and eighty-seven or two hundred and ninety of the statutes of the year eighteen hundred and sixty-six, which at a meeting of its stockholders regularly notified for that purpose decides to comply with the provisions of this section, may submit to the commissioner of corporations a certifi-

Certain corporations previously organized may make and file certificate and furnish proof of organization, which shall be examined by the commissioner, and filed with the secretary of the commonwealth. 1870, 224, § 12.



cate signed and sworn to by its president, treasurer, clerk, and a majority of its directors, setting forth a copy of its articles of agreement, with the names of the subscribers thereto, and a copy of the vote aforesaid, and produce evidence of its regular organization according to law or of confirmatory action under the provisions of sections seventy-nine and eighty of this chapter, of section sixty-six of chapter two hundred and twenty-four of the statutes of the year eighteen hundred and seventy, of section four of chapter sixty-one of the General Statutes, or of section three of chapter four hundred and seventy-eight of the statutes of the year eighteen hundred and fifty-five.

The commissioner shall examine such certificate and evidence of organization; and if it appears that the provisions of law have been complied with, he shall certify that fact and his approval thereof by indorsement thereon. The secretary of the commonwealth shall, upon the same being deposited in his office, and upon payment of the fee hereinafter provided, cause the same, with the indorsement thereon, to be recorded, and shall issue a certificate in the following form:—

Certificate to be issued by the secretary in such case.

#### COMMONWEALTH OF MASSACHUSETTS.

Be it known that whereas [here the names of the original subscribers shall be inserted] have formerly associated themselves with the intention of forming a corporation under the name of [here the name of the corporation shall be inserted], for the purpose [here the purpose declared in the articles of agreement shall be inserted], under the provisions of [here the designation of the statute under the provisions of which organization was effected shall be inserted], with a capital of [here the amount of the capital stock as it stands fixed by the corporation at the date of the certificate shall be inserted], and the provisions of the statutes of this commonwealth in such case made and provided have been complied with, as appears from the certificate of the president, treasurer, and directors of said corporation, duly approved by the commissioner of corporations and recorded in this office: now, therefore, I [here the name of the secretary shall be inserted], secretary of the Commonwealth of Massachusetts, do hereby certify that said [here the name of the corporation shall be inserted] is legally organized and established as an existing corporation, with the powers, rights, and privileges, and subject to the limitations, duties, and restrictions, which by law appertain thereto.

Witness my official signature hereunto subscribed, and the seal of the Commonwealth of Massachusetts hereunto affixed, this  
day of \_\_\_\_\_ in the year \_\_\_\_\_ [In these blanks the day, month, and year of execution of the certificate shall be inserted.]

to have force of special charter, and be evidence of incorporation.

The secretary shall sign the same and cause the seal of the commonwealth to be thereto affixed, and such certificate shall be conclusive evidence of the existence of such corporation at the date of such certificate. He shall also

cause a record of such certificate to be made, and a certified copy of such record may be given in evidence with like effect as the original certificate.

POWERS AND LIABILITIES.

*By-Laws, Officers, etc.*

SECT. 23. The business of every corporation which is subject to this chapter shall be managed and conducted by a president, board of directors, clerk, treasurer, and such other officers and agents as the corporation authorizes for that purpose. But no conveyance or mortgage of its real estate, or lease thereof for more than one year, shall be made, unless authorized by a vote of the stockholders at a meeting called for the purpose.

Business, how managed. Real estate, how leased, mortgaged, or conveyed. 1870, 224, § 15.

SECT. 24. The directors, clerk, and treasurer shall be chosen annually by the stockholders by ballot, and shall hold their offices for one year and until others are chosen and qualified in their stead. The manner of the choice or appointment of all other agents and officers, and the manner of filling all vacancies, shall be prescribed by the by-laws.

Officers, how chosen. 1870, 224, § 16. 8 Cish. 93. 7 Gray, 1. 15 Gray, 211.

SECT. 25. The number of the directors shall not be less than three. One of them shall be chosen president by the directors.

Number of directors. President. 1870, 224, § 17. 1874, 349, § 1, cl. 1.

SECT. 26. The clerk shall be sworn, and shall record all votes in a book to be kept for that purpose, and shall perform such other duties as shall be assigned to him. The treasurer shall give bond for the faithful discharge of his duty in such sum and with such sureties as shall be required by the by-laws.

Clerk. Treasurer. 1870, 224, § 18.

SECT. 27. At all meetings absent stockholders may vote by proxy, authorized by a writing executed and dated within six months previous to the meeting at which it is used, if the maker thereof resides in the United States; and no person shall as proxy or attorney cast more than fifty votes, unless all the shares so represented by him are owned by one person.

Voting by proxy. 1870, 224, § 19.

SECT. 28. Every such corporation may determine by its by-laws what number of stockholders shall attend, either in person or by proxy, or what number of shares or amount of interest shall be represented at any meeting, to constitute a quorum. If the quorum is not so determined, a majority in interest of the stockholders shall constitute a quorum.

Quorum of stockholders. 1870, 224, § 20.

## Capital Stock.

Stockholder to have certificate of stock.  
1874, 349, § 1.

Transfer of shares. Lost certificates.  
1870, 224, § 26.  
12 Gray, 213.  
8 Allen, 15.

Par value of shares in co-operative and fishing associations; may be changed.  
1870, 224, § 7.  
1878, 86.

Capital stock of companies specially chartered to be fixed at first meeting.  
1870, 224, § 22.  
6 Gray, 586.

when fixed, to be changed only as provided by law.  
1870, 224, § 21.

Increase and reduction of capital stock.  
1870, 224, § 24.  
1871, 110, § 2.  
1873, 39, § 2.  
1875, 177, § 3.

Certain corporations may increase and reduce capital.  
1871, 110, § 2.  
1873, 39, § 2.  
1875, 177, § 3.

SECT. 29. Each stockholder shall be entitled to a certificate of his stock, under the seal of the corporation, and signed by its treasurer.

SECT. 30. Shares may be transferred by the proprietor by an instrument in writing under his hand, which shall be recorded by the clerk in a book to be kept for that purpose. The purchaser named in such instrument so recorded shall, on producing the same to the treasurer and delivering to him the former certificate, be entitled to a new certificate. In case of the loss of a certificate, a duplicate certificate may be issued upon such reasonable terms as the directors shall prescribe.

SECT. 31. The par value of shares in the capital stock of any corporation organized for the purposes mentioned in sections nine and ten may be one hundred dollars or any sum fixed in its articles of association, and any such corporation at a meeting of its stockholders called for the purpose may change the par value of its shares: *provided*, that a certificate of such change shall within ten days thereafter be made, signed, and sworn to by its president, treasurer, and a majority of its directors, and be filed in the office of the secretary of the commonwealth.

SECT. 32. The amount of the capital stock of every corporation established subject to this chapter by special charter, and not organized, shall be fixed and limited by the corporation, and shall at its first meeting be divided into shares, of which a record shall be made by the clerk.

SECT. 33. The capital stock of every corporation subject to this chapter, the amount whereof has been fixed and limited by such corporation according to law, shall remain so fixed, subject to be increased or reduced pursuant to the provisions of this chapter.

SECT. 34. Every corporation which is subject to this chapter, at a meeting called for the purpose, may increase or reduce the amount of its capital stock and the number of shares therein, within the limitations of its charter in the case of a chartered corporation, and within the limitations of this chapter if organized under general laws.

SECT. 35. A corporation created by special charter before the twenty-second day of March in the year eighteen hundred and seventy-one for the purpose of making and selling gas for light in a city or town, or of carrying on any mechanical or manufacturing business authorized by this chapter, or of mining, may increase its capital

stock to an amount not exceeding one million dollars, and may reduce the same, subject to the provisions of this chapter.

SECT. 36. A mechanical, manufacturing, or gas corporation, whose capital stock is increased under the preceding section, may hold real estate necessary for the purposes for which it was organized, not to exceed in amount three-fourths of its capital stock.

Certain corporations may hold real estate to three-fourths of amount.  
1871, 110, § 3.  
1873, 39, § 2.

SECT. 37. When any corporation subject to this chapter, except a co-operative association or a gas company, increases its capital stock, its directors shall give written notice of such increase to each of its stockholders in like manner as is provided in section twenty of chapter one hundred and five, and each stockholder may take his proportion of the new shares as is provided in said section; and the shares which are not so taken may be sold or issued in such manner as its stockholders may by vote direct; but no shares shall be so sold or issued for a less amount than the par value thereof.

Disposition of new shares.  
1870, 179.  
1871, 109.  
1877, 230, § 3.

SECT. 38. When a co-operative association increases its capital stock, the new shares may be sold or issued in such manner as the stockholders may by vote direct, but not for a less amount than the par value thereof.

Same subject. Co-operative associations.  
1871, 109.  
1877, 230, § 3.

SECT. 39. When a gas company increases its capital stock, the new shares shall be sold and disposed of at public auction for the benefit of the corporation, in the manner provided in the two following sections; and only such number of shares shall be issued as, when so sold and disposed of, will produce the amount necessary for the purposes for which such increase is authorized.

Same subject. Gas companies.  
1871, 392, § 1.  
1873, 39, § 1.

SECT. 40. All shares so issued shall be offered for sale to the highest bidder, in the city or town where the corporation is located or in the city of Boston, or in both places, and notice of the time and place of such sale shall be published at least five times during the ten days immediately preceding the sale, in the newspaper in which the general laws are published, and in two other daily newspapers in the city of Boston, and in one or more newspapers in the city or town where such corporation is located; or if no newspaper is published in such city or town, the sale shall be advertised in one or more newspapers published nearest thereto.

Same subject.  
1871, 392, § 2.  
1873, 39, § 1.  
1873, 333.

SECT. 41. Not exceeding two thousand shares of the stock of any such corporation shall be offered for sale on one and the same day; and no share shall be sold or issued for a less sum to be actually paid in cash than the par value thereof.

Same subject.  
1871, 392, § 3.  
1873, 39, § 1.

Special stock.  
1870, 224, § 25.  
15 Gray, 274.

SECT. 42. Every corporation subject to this chapter, by a vote of three-fourths of its general stockholders at a meeting duly called for the purpose, may issue special stock. The special stock shall at no time exceed two-fifths of the actual capital, and shall be subject to redemption at par after a fixed time, to be expressed in the certificates. Holders of special stock shall be entitled to receive, and the corporation shall be bound to pay thereon, a fixed half-yearly sum or dividend, to be expressed in the certificates, not exceeding four per cent, and they shall in no event be liable for the debts of the corporation beyond their stock.

Assessments  
upon shares.  
1870, 224, § 27.

SECT. 43. Every corporation which is subject to this chapter, from time to time at a legal meeting called for the purpose, may assess upon each share such sums of money as it deems proper, not exceeding in the whole the par thereof; and the sums so assessed shall be paid to the treasurer at such times and by such instalments as the corporation directs.

Sale of shares  
to pay assess-  
ments.  
1870, 224, § 28.  
14 Mass. 286.  
16 Mass. 94.

SECT. 44. If the proprietor of a share neglects to pay a sum duly assessed thereon for the space of thirty days after the time appointed for payment, the treasurer of the corporation may sell by public auction a sufficient number of his shares to pay all assessments then due from him, with necessary and incidental charges.

Notice of sale,  
and deed of  
shares sold.  
1870, 224, § 29.

SECT. 45. The treasurer shall give notice of the time and place appointed for such sale, and of the sum due on each share, by advertising the same three weeks successively before the sale in some newspaper printed in the county where the corporation is established; and, if there is no such paper, then in some newspaper printed in an adjoining county; and a deed of the shares so sold, made by the treasurer and acknowledged before a justice of the peace and recorded as provided in section thirty, shall transfer said shares to the purchaser, who shall be entitled to a certificate therefor.

Corporation  
shall not com-  
mence business  
until whole cap-  
ital is paid in,  
and certificate  
thereof filed.  
1870, 224, § 32.  
1875, 177, § 2.

SECT. 46. No corporation which is subject to this chapter shall commence the transaction of the business for which it was organized or chartered until the whole amount of its capital stock has been paid in, and a certificate of that fact, and of the manner in which the same has been paid in, and at the time of making the certificate been invested or voted by the corporation to be invested, signed and sworn to by the president, treasurer, and a majority at least of the directors, has been filed in the office of the secretary of the commonwealth.

SECT. 47. No note or obligation given by a stockholder, whether secured by pledge or otherwise, shall be considered as payment of any part of the capital stock; but the capital stock shall be paid in either in cash or in the manner provided in the two following sections.

Capital stock, how to be paid in.  
1870, 224, § 27.

SECT. 48. Conveyance to the corporation of property real or personal, at a fair valuation, shall be deemed a sufficient paying in of its capital stock to the extent of such value, if a statement, made, signed, and sworn to by its president, treasurer, and a majority of its directors, giving a description of such property and the value at which it has been taken in payment, in such detail as the commissioner of corporations shall require or approve, and indorsed with his certificate that he is satisfied that said valuation is fair and reasonable, is filed with the secretary of the commonwealth.

may be paid in property.  
1876, 177, § 2.

Such statement, when made by a corporation hereafter organized, shall be included in the certificate of payment of capital required by section forty-six.

SECT. 49. If the corporation was organized for the purpose of acquiring claims against or property of a bankrupt or insolvent corporation, or property conveyed by it for the benefit of its creditors, as provided in section fifteen, any such claims or property may be assigned and conveyed to the corporation in payment for shares of its capital stock at a fair and reasonable valuation, to be determined and approved by the commissioner as provided in the preceding section; and his decision that such valuation is fair and reasonable, when made and certified as required by said section, shall be final and conclusive. No claim shall be so assigned or conveyed unless within three years from the date when the original corporation was adjudicated bankrupt or insolvent, or made such assignment for the benefit of its creditors.

may be paid in claims and property in certain cases.  
1876, 275, §§ 2, 3.

*Business of Corporation.*

SECT. 50. Every corporation which is subject to this chapter may in its corporate name purchase, hold, and convey such real and personal estate as is necessary for the purposes of its organization; may carry on its business, or so much thereof as is convenient, beyond the limits of the commonwealth, and may there purchase and hold any real or personal estate necessary for conducting the same; but shall not direct its operations or appropriate its funds to any other purpose than that specified in

Corporations may hold property, and transact business outside of commonwealth; but not business not specified in agreement, etc., except.  
1870, 224, § 31.

its agreement of association or its charter, as the case may be, except as provided in chapter one hundred and five and in the three following sections.

Any corporation may alter business by vote of all its stockholders. 1875, 177, § 4.

SECT. 51. Any corporation organized under the provisions of this chapter, or of chapter two hundred and twenty-four of the statutes of the year eighteen hundred and seventy, or of any statute in amendment thereof or in addition thereto, may, upon the vote of all its stockholders at a meeting duly called for the purpose, alter, add to, or change the business for the transaction of which it was incorporated, but shall not engage in any business which is not authorized by the provisions of this chapter. A certificate setting forth such alteration, addition, or change, signed and sworn to by the president, treasurer, and a majority of the directors, shall be filed in the office of the secretary of the commonwealth.

Gas companies may furnish steam, etc. 1879, 202, § 2.

SECT. 52. Any gas company organized or chartered before the ninth day of April in the year eighteen hundred and seventy-nine may engage in the business of generating or furnishing steam or hot water for heating, cooking, and mechanical power in a city or town, by a vote of four-fifths of the stockholders representing not less than two-thirds of the stock, at a meeting duly called for that purpose, upon filing in the office of the secretary of the commonwealth a certificate as provided in the preceding section.

Cotton and woollen companies may manufacture silk, etc. 1870, 224, § 31.

SECT. 53. Corporations organized or chartered for the manufacture of cotton or woollen goods may, upon the consent of four-fifths of the stockholders by a vote at a meeting called for the purpose, carry on the manufacture of silk, linen, flax, or india-rubber goods.

#### *Certificates and Returns.*

Annual certificate of condition. 1870, 224, § 33. 1871, 110, § 5. 1874, 349, § 1.

SECT. 54. Every corporation mentioned in section three, and every corporation subject to the provisions of the statute approved on the third day of March in the year eighteen hundred and nine, entitled "An Act defining the powers and duties of manufacturing corporations," shall annually make and file in the office of the secretary of the commonwealth, within thirty days after the date fixed in its by-laws for its annual meeting next preceding the date of such certificate, or within thirty days after the final adjournment of said meeting, but not more than three months after the date so fixed for said meeting, a certificate signed and sworn to by its president, treasurer, and

at least a majority of its directors, stating the date of holding such meeting, the amount of capital stock as it then stands fixed by the corporation, the amount then paid up, the name of each shareholder and the number of shares standing in his name, and the assets and liabilities of the corporation, in such form and with such detail as the commissioner of corporations shall require or approve.

SECT. 55. When a corporation fails for two successive years to make such annual statement, the commissioner may apply to the supreme judicial court for a dissolution of such corporation, and the court after due notice to all parties interested and a hearing may for reasonable cause decree a dissolution of the corporation.

Corporations failing for two years to make such certificate may be dissolved. 1877, 230, § 2.

SECT. 56. Every corporation which is subject to this chapter shall upon an increase of its capital stock, within thirty days after the payment or collection of the last instalment thereof, file a certificate of the amount of such increase and the fact of such payment, signed and sworn to by its president, treasurer, and at least a majority of its directors, in the office of the secretary of the commonwealth.

Certificate of increase of capital stock. 1870, 224, § 34.

SECT. 57. Every corporation which is subject to this chapter shall, within thirty days after a reduction of its capital stock is voted, file in the office of the secretary of the commonwealth a copy, signed and sworn to by its clerk, of the vote or votes authorizing such reduction.

of reduction of same. 1870, 224, § 35.

SECT. 58. Every corporation organized under authority of this chapter for the purposes specified in section ten shall, within thirty days after obtaining the written authority required by section seventy-four, file a copy of the same, certified by the town clerk or clerk of the board of aldermen, as the case may be, in the office of the secretary of the commonwealth.

Fishing associations to file certificate of authority. 1870, 224, § 36.

SECT. 59. Every certificate required to be filed by the provisions of sections forty-six, fifty-four, fifty-six, fifty-seven, and fifty-eight, shall, before filing, be submitted to the commissioner of corporations, who shall examine the same; and if it appears to him to be a sufficient compliance in form with the requirements of this chapter, he shall certify his approval thereof by indorsement upon the same; but upon the copies of votes of corporations, or the authorizations of municipal authorities required by the preceding section, he shall indorse only the date and fact of submission to his inspection; and upon paying the fee hereinafter provided, the same may be filed in the office of the secretary of the commonwealth, who shall receive and

Certificates to be examined and indorsed by commissioner before being filed. When filed to be conclusive, except, etc. 1870, 224, § 37.



record the same in books to be kept for the purpose, and upon such filing the corporation and its officers shall be conclusively held to have complied with the requirements of this chapter in respect to the filing of such certificate, except that it may be shown by competent evidence in any court that the statements made in such return were false, and were known to be so by any officer or officers signing or making oath to the same.

*Liability of Officers and Stockholders.*

Liability of officers for debts and contracts.  
1870, 224, § 38.  
1875, 177, § 2.  
1877, 230, § 1.  
10 Gray, 232, 600.  
15 Gray, 216.  
5 Allen, 398.  
108 Mass. 523.

SECT. 60. The officers of any corporation which is subject to this chapter shall be jointly and severally liable for its debts and contracts in the following cases, and not otherwise:—

The president and directors shall be so liable,—

First, For making or consenting to a dividend when the corporation is or thereby is rendered insolvent, to the extent of such dividend.

Second, For debts contracted between the time of making or assenting to a loan to a stockholder and the time of its repayment, to the extent of such loan.

Third, When the debts of a corporation exceed its capital, to the extent of such excess existing at the time of the commencement of the suit against the corporation upon the judgment in which the suit in equity to enforce such liability is brought as hereinafter provided.

The president, directors, and treasurer shall be so liable,—

Fourth, For signing any statement filed under section forty-eight, when the property mentioned in such statement is not conveyed and taken at a fair valuation; but only the officer or officers signing the same shall be so liable.

And the president, directors, and other officers shall be so liable,—

Fifth, For signing any certificate required by law knowing it to be false; but only the officer or officers knowing thereof shall be liable.

SECT. 61. The members or stockholders in any corporation which is subject to this chapter shall be jointly and severally liable for its debts or contracts in the following cases, and not otherwise:—

First, For such as may be contracted before the original capital is fully paid in; but only those stockholders who have not paid in full the par value of their shares, and

of stockholders or members.  
1870, 224, § 39.  
1875, 177, § 1.  
1876, 1, § 1.  
6 Met. 114.  
12 Met. 3.  
11 Cush. 183.  
10 Gray, 232.  
15 Gray, 216.

those who have purchased such shares with knowledge of the fact, shall be liable for such debts.

16 Gray, 127.  
2 Allen, 498.  
6 Allen, 579.  
106 Mass. 131.

Second, For the payment of all debts existing at the time when the capital is reduced, to the extent of the sums withdrawn and paid to stockholders.

Third, When special stock is created, the general stockholders shall be liable for all debts and contracts until the special stock is fully redeemed.

Fourth, For all sums of money due to operatives for services rendered within six months before demand made upon the corporation, and its neglect or refusal to make payment.

Any such member or stockholder who pays, on a judgment or otherwise, more than his proportional share of any such debt, shall have a claim for contribution against the other members or stockholders.

SECT. 62. No stockholder or officer in such corporation shall be held liable for its debts or contracts, unless a judgment is recovered against it, and it neglects for thirty days after demand made on execution to pay the amount due, with the officer's fees, or to exhibit to him real or personal estate of the corporation subject to be taken on execution, sufficient to satisfy the same, and the execution is returned unsatisfied.

Stockholders and officers not liable until judgment is recovered, and execution returned unsatisfied.  
1870, 224, § 40.  
103 Mass. 160.

SECT. 63. The clerk or other officer having charge of the records of any such corporation against which judgment has been so recovered and execution so issued and returned unsatisfied, upon reasonable request of the judgment creditor or of his attorney, shall furnish him a certified list of the names of all persons who were officers and stockholders in such corporation at the time of the commencement of the suit in which judgment was recovered.

Clerk to furnish creditor with names of officers and stockholders.  
1870, 224, § 41.

SECT. 64. After the execution is so returned, any creditor may file a bill in equity in behalf of himself and all other creditors of the corporation, against it and all persons who were stockholders therein at the time of the commencement of the suit in which such judgment was recovered, or against all the officers liable for its debts and contracts, for the recovery of the sums due from the corporation to himself and the other creditors, for which the stockholders or officers may be personally liable by reason of any act or omission on its part or that of its officers or any of them, setting forth the judgment and proceedings thereon, and the grounds upon which it is expected to charge the stockholders or officers personally.

Creditor may file bill in equity against corporation officers and stockholders.  
1870, 224, § 42.  
11 Gray, 139.  
14 Gray, 193.  
101 Mass. 385.  
108 Mass. 404,  
523.  
109 Mass. 473.

Stockholders to be assessed in proportion of stock; liable to amount of stock at par.  
1870, 224, § 43.  
16 Gray, 127.

SECT. 65. Such sums as may be decreed to be paid by the stockholders in such suit in equity shall be assessed upon them in proportion to the amounts of stock held by them respectively at the time when the suit in which said judgment was recovered was begun; but no stockholder shall be liable to pay a larger sum than the amount of stock held by him at that time at its par value.

Liability of estates in hands of executors, etc.  
1870, 224, § 44.

SECT. 66. The estates and funds in the hands of executors, administrators, guardians, or trustees, shall be liable to no greater extent than the testator, intestate, ward, or person interested in the trust fund would have been, if living and competent to act and hold the stock in his own name.

Suit in equity not abated by death of one defendant.  
1870, 224, § 45.

SECT. 67. If any one of the defendants dies during the pendency of such a suit in equity, it shall not abate thereby; and his estate in the hands of his executor or administrator shall be liable to the same extent as he would be if living. Such executor or administrator may voluntarily appear and become a party to the suit, or may be summoned by the plaintiff.

not to be dismissed without order of court, and notice to creditors.  
1870, 224, § 46.

SECT. 68. After such a suit in equity has been commenced, the plaintiff shall not dismiss the same without an order of court, and such notice to other creditors as the court may deem reasonable under the circumstances.

not abated by non-joinder of persons liable.  
1870, 224, § 47.  
10 Allen, 352.

SECT. 69. No such suit in equity shall be abated by reason of the non-joinder of persons liable as defendants, unless the plaintiff, after being notified by plea or answer of the existence of such persons, unreasonably neglects to make them parties.

Suits may be defended by stockholder, etc., by permission of court.  
1870, 224, § 48.  
15 Gray, 216.  
14 Allen, 470.

SECT. 70. In all suits against corporations established by the laws of this commonwealth, when it appears to the court that one of the objects of the suit is to obtain a judgment against the corporation in order to enforce an alleged liability of a person who has been or is a stockholder or officer thereof, any such stockholder or officer may be permitted, on petition, to defend said suit.

Bond for costs may be required.  
1870, 224, § 49.

SECT. 71. The court in such case may require of the person so taking upon himself the defence of the suit, or of some person in his behalf, a bond with sufficient surety or sureties, conditioned to pay to the plaintiff all costs which may accrue and be taxed to him after the filing of said petition.

#### CO-OPERATIVE ASSOCIATIONS.

Profits of co-operative associations, how

SECT. 72. Every corporation organized for the purposes set forth in section nine shall distribute its profits or

earnings among its workmen, purchasers, and stockholders, at such times and in such manner as shall be prescribed by its by-laws, and as often at least as once in twelve months ; but no distribution shall be made until at least ten per cent of the net profits has been appropriated for a contingent or sinking fund, until there has accumulated a sum equal to thirty per cent in excess of its capital stock.

distributed.  
1870, 224, § 51.

SECT. 73. No person shall hold shares in any co-operative association to an amount exceeding one thousand dollars at their par value, nor shall any stockholder be entitled to more than one vote upon any subject.

No person to hold more than one thousand dollars of stock.  
1870, 224, § 52.

FISHING ASSOCIATIONS.

SECT. 74. A corporation organized for the purposes set forth in section ten may purchase and hold real estate necessary for opening outlets, canals, sluice-ways, or ditches for the passage of herring and alewives ; but before making any such purchase or doing any acts in pursuance of its organization, it shall obtain written authority from the selectmen of the town, or the mayor and aldermen of the city, within which its works are to be located.

Fishing associations may purchase and hold real estate ; shall obtain authority from selectmen, etc., before doing business.  
1870, 224, § 54.

GAS COMPANIES.

SECT. 75. Gas-light companies and corporations organized for either or both of the purposes mentioned in section eleven, may, with the consent in writing of the mayor and aldermen of a city or the selectmen of a town, dig up and open the grounds in any of the streets, lanes, and highways thereof, so far as is necessary to accomplish the objects of the corporation ; but such consent shall not affect the right or remedy to recover damages for an injury caused to persons or property by the doings of such corporations. They shall put all such streets, lanes, and highways, which are opened, into as good repair as they were in when opened ; and upon failure so to do within a reasonable time, shall be deemed guilty of a nuisance.

Gas-light companies, etc., may dig up streets with the consent of selectmen, etc.  
1870, 224, § 56.  
1870, 353, § 2.  
1879, 202, § 1, last cl.  
12 Allen, 75.

SECT. 76. When a party injured in his person or property by a defect in a highway, caused by the operations of a gas company in laying down or repairing its pipes or otherwise obstructing such way, recovers damages therefor of the place wherein such injury is received, such place shall, in addition to the damages so recovered against it, be entitled to recover all the taxable costs of the plaintiff

liable to repay damages, etc.  
1880, 121.

and defendant in the same action, in a suit brought against the gas company, if such company is liable for said damages, and if reasonable notice is given by such place to such company, so that it may defend the original action.

Gas-light companies to be regulated by selectmen, etc. 1870, 224, § 57.

SECT. 77. The mayor and aldermen or selectmen of a place in which pipes or conductors of such a corporation are sunk may regulate, restrict, and control all acts and doings of such corporation which may in any manner affect the health, safety, convenience, or property of the inhabitants of such place.

Other companies may hold gas stock. 1870, 224, § 58.

SECT. 78. A manufacturing or other company, having its place of business in a place into which it is proposed to introduce the manufacture of gas for light, may hold not exceeding ten per cent of the stock in a gas company therein

#### CONFIRMATION OF ORGANIZATION OR PROCEEDINGS.

Certain organizations may be confirmed by stockholders if legality is doubted. 1870, 224, § 66. 1874, 349, § 1, last cl.

SECT. 79. If doubts arise as to the legality of the organization of a corporation intended to be formed under the provisions of chapter sixty-one of the General Statutes or of any general or special statute conferring similar rights upon corporations organized under its provisions, its stockholders, at a special meeting called for the purpose in the manner provided in section eighteen or by a justice of the peace upon the written request therefor of a majority of the acting directors, may by vote confirm such organization and all proceedings under it, and by so doing, and depositing and filing a copy of such vote in the office of the secretary of the commonwealth, such corporation and its subsequent acts shall be held legal and valid, as if the original organization had been legal.

Organizations and subsequent proceedings defective or invalid for non-compliance with statutes, how confirmed. 1874, 349, § 2.

SECT. 80. If doubts arise as to the legality of the organization of any corporation of the kinds mentioned in this chapter, for the creation of which a special charter has been granted and which is in the exercise of its franchise, or as to the regularity or sufficiency of the proceedings of any such corporation, whether created by special charter or formed under general laws, in consequence of failure subsequent to the organization to comply with the directions or requirements of any statute, the stockholders, at a special meeting called for the purpose in the manner provided in the preceding section, may by vote confirm such defective proceedings and all subsequent proceedings of the corporation dependent thereon. The clerk shall thereupon make under oath a certificate setting forth the particular matters especially causing the doubt,

and a copy of the call of the meeting, and of the vote of the stockholders, and the date of holding the meeting, which he shall present to the commissioner of corporations, who shall examine the same, and, if he finds that the provisions of this section have been complied with, shall so certify by indorsement thereon. Upon filing the certificate so indorsed in the office of the secretary of the commonwealth, such proceedings shall be taken to be legal and valid as fully as if the requirements of the statutes had been complied with.

**PENALTIES FOR OMISSIONS TO FILE CERTIFICATES, ETC.**

SECT. 81. Every corporation which is subject to this chapter, and which omits to cause to be filed any certificate or return required by sections fifty-four, fifty-six, or fifty-seven, shall forfeit two hundred dollars, to be recovered by action of tort, brought in the name of the commonwealth in the county of Suffolk or in the county in which the corporation is established; and its president, treasurer, and directors for the time being shall in addition be jointly liable in a like sum for such omission or neglect; and all sums forfeited by a corporation under this chapter may also be collected by information in equity, brought in the supreme judicial court in the name of the attorney-general, at the relation of the commissioner of corporations; and upon such information the court may issue an injunction restraining the further prosecution of the business of the corporation named therein until the sums so forfeited are paid with interest and costs, and until the returns required by this chapter are made.

Penalties for omitting to file certificates.  
1870, 224, § 60.  
1877, 57, § 1.

SECT. 82. All informations under the provisions of the preceding section may be brought in the county of Suffolk.

Informations may be brought in Suffolk.  
1877, 57, § 2.  
Penalty for refusing to give certificate, etc.  
1870, 224, § 60.

SECT. 83. If an officer unreasonably refuses to give the certificate mentioned in section sixty-three, or wilfully gives a false certificate, he shall be liable for double the amount of all damages occasioned by such refusal or false certificate, to be recovered in an action of tort.

**FEEES.**

SECT. 84. Fees shall be paid for filing and recording the certificates required by this chapter to be filed with the secretary of the commonwealth as follows: —

For filing and recording the certificates required by sections twenty-one and twenty-two, including the issuing the certificate of organization by the secretary, one-

Fees for filing and recording certificates.

of organization.  
1870, 224, § 59.  
1871, 356.

twentieth of one per cent of the amount of the capital stock as fixed by the agreement of association; but not less in any case than five dollars, nor more than two hundred dollars.

Fees for filing and recording certificates of increase of capital.  
1871, 356.

For filing and recording the certificate required by section fifty-six, one-twentieth of one per cent of the amount by which the capital is increased; but the amount so to be paid shall not, when added to the amount previously paid for filing and recording certificates under sections twenty-one, twenty-two, and fifty-six, exceed in any case two hundred dollars.

of change of business.  
1875, 177, § 4.  
1879, 202, § 2.

For filing and recording the certificates required by sections fifty-one and fifty-two, one-twentieth of one per cent of the amount of the capital stock of the corporation.

of condition.  
1870, 224, § 59.

For filing and recording the certificate required by section fifty-four, five dollars.

Fee for filing, etc., other certificates.  
1870, 224, § 59.  
Copies.  
1870, 224, § 59.

For filing and recording any other certificate required by the provisions of this chapter, one dollar.

For official copies of any of the records mentioned in this chapter, the rates now fixed by law for copies of similar records furnished by the secretary of the commonwealth.

PUBLIC STATUTES.

[CHAPTER 107.]

OF SWINE-SLAUGHTERING ASSOCIATIONS.

SECTION 1. Three or more persons who associate themselves together by such an agreement in writing as is described in section sixteen of chapter one hundred and six, with a capital of not less than one hundred thousand nor more than five hundred thousand dollars, with the intention of forming a corporation for the purpose of buying and slaughtering swine and of melting and rendering and pork-packing, upon complying with the provisions of section twenty-one of said chapter shall be and remain a corporation, with all the powers, rights, and privileges, and subject to all the duties, limitations, and restrictions, contained in said chapter, except as hereinafter provided.

Corporations may be formed for buying and slaughtering swine, etc. 1874, 295, § 1.

SECT. 2. Such corporation may take and hold by purchase or otherwise such parcel of land, not exceeding one hundred acres in extent, and situated in such place, as the state board of health, lunacy, and charity may determine to be suitable for said business; and shall, within sixty days from the time of taking any land otherwise than by purchase, caused to be signed by its president and filed in the registry of deeds for the county or district wherein said lands lie a description thereof as certain as is required in a common conveyance of lands and a statement of the purpose for which the lands are taken; but no land shall be so taken without the approval in writing of the mayor and aldermen of the city or of the selectmen of the town in which it is situated.

may take land, with approval of state board of health, etc.; to file a description in registry of deeds. 1874, 295, § 2.

SECT. 3. Such corporation shall be liable to pay all damages sustained by any persons in their property by the taking of any land for the purposes of this chapter. A person sustaining damages as aforesaid, and not agreeing upon the sum to be paid therefor, may apply by petition for the assessment of his damages, at any time within one year from the taking of said land, to the superior court in the county in which said land is situate; such petition

Liability for damages. Trial by jury. 1874, 295, § 3.



may be filed in the clerk's office of said court in vacation or in term time, and the clerk shall thereupon issue a summons to the corporation, returnable, if issued in vacation, to the then next term of the said court, held fourteen days at least after the issuing of said summons, and, if in term time, returnable on such day as the court shall order, to appear and answer to the said petition; the said summons shall be served fourteen days at least before the return day thereof by leaving a copy thereof with the clerk of the corporation, and upon the return of said summons, duly served, the said petition shall stand as a cause in said court; and upon said petition all questions of fact relating to the damages sustained by the petitioner shall be heard and determined, and the amount of such damages shall be assessed by a jury, unless the parties in writing waive their right to a jury, and agree that the same shall be determined by the court; and the verdict of said jury, being accepted and recorded by the court, or the award of the court if jury trial is waived, shall be final and conclusive, and judgment shall be rendered and execution issued thereon; and costs shall be recovered by the petitioner if the amount of said judgment exceeds the amount offered him for his damage before the filing of said petition, otherwise the corporation shall recover its costs.

Corporation to build suitable buildings, etc.; regulation, by state board. 1874, 295, § 4.

SECT. 4. Such corporation shall proceed to build upon such land suitable buildings for the slaughtering of swine and for melting and rendering, and all necessary stables and out-buildings. No such building shall be erected until the plans thereof, with all details of construction, have been submitted to and approved by said state board, or some person designated by it to examine them. The corporation shall carry on all its business in accordance with such regulations as said state board shall, from time to time, establish and furnish in writing to the clerk of the corporation; and for each violation of said regulations, it shall forfeit not less than twenty nor more than five hundred dollars.

may carry on slaughtering business, etc. Each member may slaughter on premises, etc. 1874, 295, § 4.

SECT. 5. Subject to the foregoing provisions, such corporation may manufacture and sell any of the usual products of said slaughtering and melting and rendering business, or may lease or permit other persons to use its buildings, or parts thereof, on such terms as may be agreed upon. Each member of the corporation may slaughter swine on said premises, subject to such regulations and tariff of prices as the corporation may by vote at any reg-

ular meeting establish, and to the regulations of the said state board. A person engaged in business on the premises of such corporation, who violates any regulation of said state board, shall forfeit not less than twenty nor more than five hundred dollars.

## PUBLIC STATUTES.

[CHAPTER 115.]

## OF ASSOCIATIONS FOR CHARITABLE, EDUCATIONAL, AND OTHER PURPOSES.

Persons may become a corporation by associating in writing, etc.  
1874, 375, § 1.

Purposes for which they may so associate.  
1874, 375, § 2.  
1877, 204, § 1.  
1878, 153.

Contents of agreement of association.  
Par value of shares.  
Corporatename.  
1874, 375, §§ 3, 5.

Organization.  
Fee to be paid to secretary of

SECTION 1. Seven or more persons within this commonwealth, who associate themselves together by such an agreement in writing as is hereinafter described, with the intention of forming a corporation for any of the purposes hereinafter specified, upon complying with the provisions of section four shall be and remain a corporation.

SECT. 2. Such association may be formed for any educational, charitable, benevolent, or religious purpose; for the prosecution of any antiquarian, historical, literary, scientific, medical, artistic, monumental, or musical purposes; for supporting any missionary enterprise having for its object the dissemination of religious or educational instruction in foreign countries; for promoting temperance or morality in this commonwealth; for encouraging athletic exercises or yachting; for encouraging the raising of choice breeds of domestic animals and poultry; for the association and accommodation of societies of Free Masons, Odd Fellows, Knights of Pythias, or other charitable or social bodies of a like character and purpose; for the establishment and maintenance of places for reading-rooms, libraries, or social meetings.

SECT. 3. The agreement shall state that the subscribers thereto associate themselves with the intention of forming a corporation, the name of the corporation, the purpose for which it is formed, the town or city, which shall be in this commonwealth, in which it is located, and, if it has a capital stock, the amount thereof and the number and par value of its shares, which par value may be either twenty-five, fifty, or one hundred dollars. The name shall be one not previously in use by an existing corporation, shall indicate that it is a corporation or company, and shall be changed only by act of the general court.

SECT. 4. The associates shall meet for organization, organize, and certify their organization in the manner pro-

vided for manufacturing corporations by sections eighteen, twenty, and twenty-one of chapter one hundred and six; and the commissioner of corporations and the secretary of the commonwealth, upon the payment of a fee of five dollars to the secretary, shall perform in respect to corporations organized under this chapter the acts required of them in respect to manufacturing corporations by said section twenty-one; and the certificate of incorporation shall be in the same form, except as modified in accordance with section six of this chapter, and shall have the same legal force and effect, as the certificates issued under said section twenty-one.

commonwealth.  
1874, 375, § 4.

SECT. 5. The corporation may prescribe by its by-laws the manner in which and the officers and agents by whom the purposes of its incorporation may be carried out.

By-laws.  
1874, 375, § 6.

SECT. 6. The corporation may have, instead of a board of directors, a board of trustees, managers, executive committee, prudential committee, wardens and vestry, or other officers with the powers of directors; and its certificate of organization may be made, signed, and sworn to by its presiding, financial, and recording officers, and a majority of its other officers having the powers of directors; and the certificate issued by the secretary under the provisions of section four shall be modified to correspond with the facts in each case.

Such corporations may have trustees, etc., instead of directors, and with like powers  
1875, 49, § 1.

SECT. 7. The corporation may hold real and personal estate, and may hire, purchase, or erect suitable buildings for its accommodation, to an amount not exceeding five hundred thousand dollars, to be devoted to the purposes set forth in its agreement of association, and may receive and hold in trust or otherwise funds received by gift or bequest to be devoted by it to such purposes.

Such corporations may hold real and personal estate, and gifts, etc.  
1874, 375, § 7.

SECT. 8. A corporation organized for any purpose mentioned in section two may, for the purpose of assisting the widows, orphans, or other persons dependent upon deceased members, provide in its by-laws for the payment by each member of a fixed sum, to be held by such association until the death of a member occurs, and then to be forthwith paid to the person or persons entitled thereto, and such fund so held shall not be liable to attachment by trustee or other process; and associations may be formed under this chapter for the purpose of rendering assistance to such persons and in the manner herein specified.

may provide for the payment of fixed sums to be held until death of members, etc.  
1877, 204, § 1.

SECT. 9. Any such beneficiary corporation, association, or society may hold at any one time, as a death fund

Beneficiary associations, etc., may hold an

amount not exceeding one assessment.  
 Proviso.  
 1880, 196, § 3.

belonging to the beneficiaries of anticipated deceased members, an amount not exceeding one assessment from a general or unlimited membership, or an amount not exceeding in the aggregate one assessment from each limited class or division of its members: *provided*, that nothing in this section shall be held to restrict such fund to less than ten thousand dollars. Such fund while held in trust shall be invested in bonds of the United States, or deposited in safe banking institutions subject to sight drafts for distribution to the beneficiaries aforesaid.

Beneficiary associations, etc., not subject to laws relating to life insurance.  
 1877, 204, § 2.  
 1880, 196, § 4.  
 Returns to insurance commissioner.  
 1880, 196, § 1.

SECT. 10. The provisions of the general laws relating to life-insurance companies shall not apply to such beneficiary corporations, associations, and societies.

SECT. 11. Every corporation, association, or society within this commonwealth which issues a certificate to or makes a promise or agreement with its members, whereby any sum of money or other benefit is to become due or payable upon the decease of a member, shall make to the insurance commissioner, annually or oftener, such statements of its membership and financial transactions, with such other information relating thereto, as he may deem necessary to a proper exhibit of its business and standing.

Commissioner may verify such returns.  
 Penalty.  
 1880, 196, § 2.

SECT. 12. The commissioner, if he deems it necessary, may verify any such statement by examination of the books and papers relating to the membership and financial transactions connected therewith; and whoever, having charge or custody of such business, books, or papers, neglects or refuses to comply with the provisions of this section and of the preceding section, shall be punished by fine not exceeding one hundred dollars.

Existence of corporations previously formed not to be affected.  
 Such corporations may adopt the provisions of this chapter, and become subject thereto.  
 Certificate to be presented to commissioner of corporations, and examined by him, and filed with secretary of the commonwealth.  
 1875, 46, § 2.

SECT. 13. Nothing contained in this chapter shall affect the existence of any association or corporation formed before the twenty-seventh day of July in the year eighteen hundred and seventy-four, under the provisions of any statute, for any of the purposes mentioned in section two; and any such corporation may, at a meeting called for the purpose, vote to adopt the provisions of this chapter, and, upon so voting and complying with the provisions of this section, shall have the powers and privileges and be subject to the duties and obligations of corporations formed under this chapter. After so voting, the corporation may present to the commissioner of corporations a certificate signed and sworn to by its president, financial, and recording officers, and a majority of its other officers having the powers of directors, setting forth a copy of its agreement of association and of said vote

and the date of the meeting at which the vote was adopted, and may present such further evidence as the commissioner may require of the legal existence of the corporation, and of its intention to adopt the provisions of this chapter. The commissioner shall examine the certificate and evidence of organization, and, if it appears that the provisions of law have been complied with, shall certify that fact and his approval of the certificate by indorsement thereon. The secretary of the commonwealth, upon payment of a fee of five dollars and upon the deposit in his office of said certificate with the indorsement thereon, shall cause the same to be recorded, and shall issue a certificate in the following form:—

COMMONWEALTH OF MASSACHUSETTS.

Be it known that whereas [here the names of the original subscribers shall be inserted] have formerly associated themselves with the intention of forming a corporation, under the name of [here the name of the corporation shall be inserted], for the purpose [here the purpose declared in the articles of agreement shall be inserted], under the provisions of [here the designation of the statute under the provisions of which organization was effected shall be inserted], with a capital of [here the amount of the capital stock, as it stands fixed by the corporation at the date of the certificate, shall be inserted, or, if there is no capital stock, this clause shall be omitted], and the provisions of the statutes of this commonwealth in such case made and provided have been complied with, as appears from the certificate of the proper officers of said corporation, duly approved by the commissioner of corporations, and recorded in this office: now, therefore, I [here the name of the secretary shall be inserted], secretary of the Commonwealth of Massachusetts, do hereby certify that said [here the name of the corporation shall be inserted] is legally organized and established as an existing corporation, with the powers, rights, and privileges, and subject to the limitations, duties, and restrictions, which by law appertain thereto.

Form of certificate of organization, to be issued by secretary of the commonwealth.

Witness my official signature, hereunto subscribed, and the seal of the Commonwealth of Massachusetts, hereunto affixed, this        day of        , in the year        . [In these blanks the day, month, and year of execution of the certificate shall be inserted.]

The secretary shall sign the same, and cause the seal of the commonwealth to be thereto affixed, and such certificate shall be conclusive evidence of the existence of such corporation at the date of such certificate. The secretary shall also cause a record of such certificate to be made, and a certified copy of such record may be given in evidence with like effect as the original certificate.

Same to be evidence of incorporation.

## PUBLIC STATUTES.

[CHAPTER 117.]

## OF CO-OPERATIVE SAVING FUND AND LOAN ASSOCIATIONS.

Corporations for accumulation of savings of members and lending funds to members.  
1877, 224, § 1.

SECTION 1. Twenty-five or more persons who associate themselves together by an agreement in writing with the intention of forming a corporation for the purpose of accumulating the savings of its members paid into such corporation in fixed periodical instalments and lending to its members the funds so accumulated shall be and remain a corporation upon complying with the provisions of the three following sections.

Agreement, what to set forth.  
1877, 224, § 2.

SECT. 2. The agreement shall set forth the fact that the subscribers thereto associated themselves with the intention of forming a corporation, the name by which the corporation shall be known, the purpose for which it is formed, the town or city, which shall be within this commonwealth, in which it is located, and the limit of capital to be accumulated.

Name.  
1877, 224, § 3.

SECT. 3. The name shall be one not previously in use by any existing corporation established under the laws of this commonwealth, and shall be changed only by act of the general court. The words "co-operative saving fund and loan association" shall form a part of the name.

Corporation, how organized.  
1877, 224, § 4.

SECT. 4. The provisions of sections eighteen, twenty, and twenty-one of chapter one hundred and six shall apply to such corporations, except that, in the certificate signed by the secretary of the commonwealth, the limit of capital to be accumulated as fixed in the agreement of association shall be inserted, instead of the amount of capital, that the certificate required by said section twenty-one to be filed and recorded may be signed and sworn to by the presiding and financial officers and a majority at least of the officers possessing the powers of directors, by whatever name they may be called, and that the fees to be paid for filing and recording the certificates required by said section twenty-one, including the issuing of the certificate of organization, shall be five dollars.

SECT. 5. The capital to be accumulated shall not exceed one million dollars, and shall be divided into shares of the ultimate value of two hundred dollars each. The shares may be issued in quarterly, half-yearly, or yearly series, in such amounts and at such times as the members may determine.

Limit of capital.

No person shall hold more than twenty-five shares in the capital of any one such corporation. No shares of a prior series shall be issued after the issue of a new series.

Plans of issuing stock, etc.  
1877, 224, § 5.

SECT. 6. The number, title, duties, and compensation of the officers of the corporation, their terms of office, the time of their election, as well as the qualifications of electors, and the time of each periodical meeting of the officers and members, shall be determined by the by-laws; but no member shall be entitled to more than one vote at any election. All officers shall continue in office until their successors are duly elected, and no corporation shall expire from neglect on its part to elect officers at the time prescribed by the by-laws.

By-laws.  
Officers to hold office until successors are elected.  
1877, 224, §§ 6, 16.

SECT. 7. The officers shall hold stated monthly meetings. At or before each of these meetings every member shall pay to the corporation as a contribution to its capital one dollar as dues upon each share held by him until the share reaches the ultimate value of two hundred dollars, or is withdrawn, cancelled, or forfeited. Payment of dues on each series shall commence from its issue.

Monthly meetings. Dues.  
1877, 224, §§ 5, 7, 9.  
1881, 271, § 1, cl. 3.

SECT. 8. A member may withdraw his unpledged shares at any time by giving thirty days' notice of his desire to do so in a book to be provided by the corporation for the purpose, and shall thereupon receive the withdrawing value of his shares at the date of the notice: *provided*, that at no time shall more than one-half of the funds in the treasury be applicable without the consent of the directors to the demands of withdrawing members. The directors may in their discretion and pursuant to the by-laws retire the unpledged shares of any series and enforce their withdrawal at any time after four years from the date of their issue.

Withdrawal of shares.  
1877, 224, § 10.  
1881, 271, § 1, cl. 3.

The shareholders whose shares are to be so retired shall be determined by lot, under such regulations as the directors may prescribe. The withdrawing value of a share shall be the amount of dues paid thereon, together with such proportion of the profits, according to the next preceding adjustment and valuation of shares, as the by-laws may determine, less all fines and proportionate part of any unadjusted loss: *provided*, that shareholders whose shares



are retired, as herein provided, shall be paid the full value of their shares, less all fines and a proportionate part of any unadjusted loss.

Shares, when  
matured.  
1881, 271, § 1,  
cl. 3.

SECT. 9. When each unpledged share of a given series reaches the value of two hundred dollars, all payments of dues thereon shall cease, and the holder thereof shall be paid out of the funds of the corporation two hundred dollars therefor with interest at the rate of six per cent a year from the time of such maturity to the time of payment: *provided*, that at no time shall more than one-half of the funds in the treasury be applicable to the payment of such matured shares without the consent of the directors.

Moneys to be  
lent by monthly  
sales; how in-  
vested, if un-  
sold.  
1877, 224, § 7.  
1881, 271, § 1,  
cl. 4.

SECT. 10. The moneys accumulated, after due allowance made for all necessary and proper expenses and for the withdrawal of shares, shall, at each stated monthly meeting, be offered to the members according to the premiums bid by them for priority of right to a loan. Each member whose bid is accepted shall be entitled upon giving proper security to receive a loan of two hundred dollars for each share held by him, or such fractional part of two hundred dollars as the by-laws may allow. If a balance of money remains unsold after a monthly sale, the directors may invest the same in any of the securities named in the second clause of section twenty of chapter one hundred and sixteen.

Premiums.  
1877, 224, § 12.

SECT. 11. Premiums for loans shall consist of a percentage charged on the amount lent in addition to interest, and shall be deemed to be a consideration paid by the borrower for the present use and possession of the future or ultimate value of his shares, and shall together with interest and fines be received by the corporation as a profit on the capital invested in the loan, and shall be distributed to the various shares and series of said capital as hereinafter provided.

Interest.  
1881, 271, § 1,  
cl. 3.

SECT. 12. A borrowing member, for each share borrowed upon, shall, in addition to his dues and monthly premium, pay monthly interest on his loan at the rate of six per cent per annum until his shares reach the ultimate value of two hundred dollars each, or the loan has been repaid; and when said ultimate value is reached, said shares and loan shall be declared cancelled and satisfied, and the balance, if any, due upon the shares, shall be paid to the member.

Security.  
1877, 224, § 8.  
1881, 271, § 1,  
cl. 1.

SECT. 13. For every loan made, a note secured by first mortgage of real estate shall be given, accompanied by a transfer and pledge of the shares of the borrower. The

share so pledged shall be held by the corporation as collateral security for the performance of the conditions of said note and mortgage. Said note and mortgage shall recite the number of shares pledged and the amount of money advanced thereon, and shall be conditioned for the payment at the stated meetings of the corporation of the monthly dues on said shares, and the interest and premium upon the loan, together with all fines on payments in arrears, until said shares reach the ultimate value of two hundred dollars each, or said loan is otherwise cancelled and discharged: *provided*, that the shares without other security may in the discretion of the directors be pledged as security for loans, to an amount not exceeding their value as adjusted at the last adjustment and valuation of shares before the time of the loan.

If the borrower neglects to offer security satisfactory to the directors within the time prescribed by the by-laws, his right to the loan shall be forfeited, and he shall be charged with one month's interest and one month's premium at the rate bid by him, together with all expenses, if any, incurred; and the money appropriated for such loan may be re-loaned at the next or any subsequent meeting.

SECT. 14. A borrower may repay a loan at any time, upon application to the corporation, whereupon, on settlement of his account, he shall be charged with the full amount of the original loan, together with all monthly instalments of interest, premium, and fines in arrears, and shall be given credit for the withdrawing value of his shares pledged and transferred as security; and the balance shall be received by the corporation in full satisfaction and discharge of said loan: *provided*, that all settlements made at periods intervening between stated meetings of the directors shall be made as of the date of the stated meeting next succeeding such settlement; and *provided*, that a borrower desiring to retain his shares and membership may at his option repay his loan without claiming credit for said shares, whereupon said shares shall be re-transferred to him, and shall be free from any claim by reason of said cancelled loan.

Payment.  
1877, 224, § 11.

SECT. 15. Members who make default in the payment of their monthly dues, interest, and premiums, shall be charged a fine not exceeding two per cent a month on each dollar in arrears. No fines shall be charged after the expiration of six months from the first lapse in any such payment, nor upon a fine in arrears. The shares of a

Fines, forfeiture  
of shares.  
1877, 224, § 13.

member who continues in arrears more than six months shall, at the option of the directors, if the member fails to pay the arrears within thirty days after notice, be declared forfeited, and the withdrawing value of the shares at the time of the first default shall be ascertained, and, after deducting all fines and other legal charges, the balance remaining shall be transferred to an account to be designated the "Forfeited Share Account" to the credit of the defaulting member. Said member, if not a borrower, shall be entitled upon thirty days' notice to receive the balance so transferred without interest from the time of the transfer, in the order of his turn, out of the funds appropriated to the payment of withdrawals. All shares so forfeited or transferred shall cease to participate in any profits of the corporation accruing after the last adjustment and valuation of shares before said first default.

Recovery of  
loan.  
1877, 224, §§ 8,  
13.

SECT. 16. If a borrowing member has been in default for six months, the amount to be credited to his shares under the preceding section shall be applied as a payment upon the loan, and the balance with interest and premiums thereon from the time of first default together with an attorney's fee of five per cent on said balance shall be enforced against the security and recovered as secured debts are recovered at law. The shares the value whereof has been so applied in payment shall revert to the corporation, and be held by it free from all interest, claim, or demand on the part of the borrower or any person claiming from or under him.

Books of  
account.  
Duties of  
treasurer, etc.  
1877, 224, § 14.

SECT. 17. The general accounts of every such corporation shall be kept by double entry. All moneys received by the corporation from each member shall be receipted for by persons designated by the directors, in a pass-book provided by the corporation for the use of and to be held by the member; and said pass-book shall be plainly marked with the name and residence of the holder thereof, the number of shares held by him, and the number or designation of the series or issue to which said shares respectively belong, and the date of the issue of such series. All moneys so received shall be originally entered by the proper officer in a book to be called the "cash-book," to be provided by the corporation for the purpose, and the entries therein shall be so made as to show the name of the payer, the number of shares, the number or designation of the series or issues of the particular share or shares so entered, together with the amount of dues, interest, premiums, and fines paid thereon, as the case may be. Each payment

shall be classified and entered in a column devoted to its kind. Said cash-book shall be closed after the termination of each stated meeting, and shall be an exhibit of the receipts of all moneys paid at said meeting. All payments made by the corporation for any purpose whatsoever shall be by order, check, or draft upon the treasurer, signed by the president and secretary, and indorsed by the persons in whose favor the same are drawn. The name of the payee, the amount paid, and the purpose, object, or thing for which the payment is made, together with its date, shall be entered on the margin of said order, check, or draft. The treasurer shall dispose of and secure the safe keeping of all moneys, securities, and property of the corporation, in the manner designated by the by-laws, and the treasurer and secretary shall give such security for the faithful performance of their respective duties as the by-laws may direct.

SECT. 18. The profits and losses may be distributed annually, semi-annually, or quarterly, to the shares then existing, but shall be distributed at least once in each year, and whenever a new series of shares is to be issued. Profits and losses shall be distributed to the various shares existing at the time of such distribution, in proportion to their value at that time, and shall be computed upon the basis of a single share fully paid to the date of distribution. Losses shall be apportioned immediately after their occurrence.

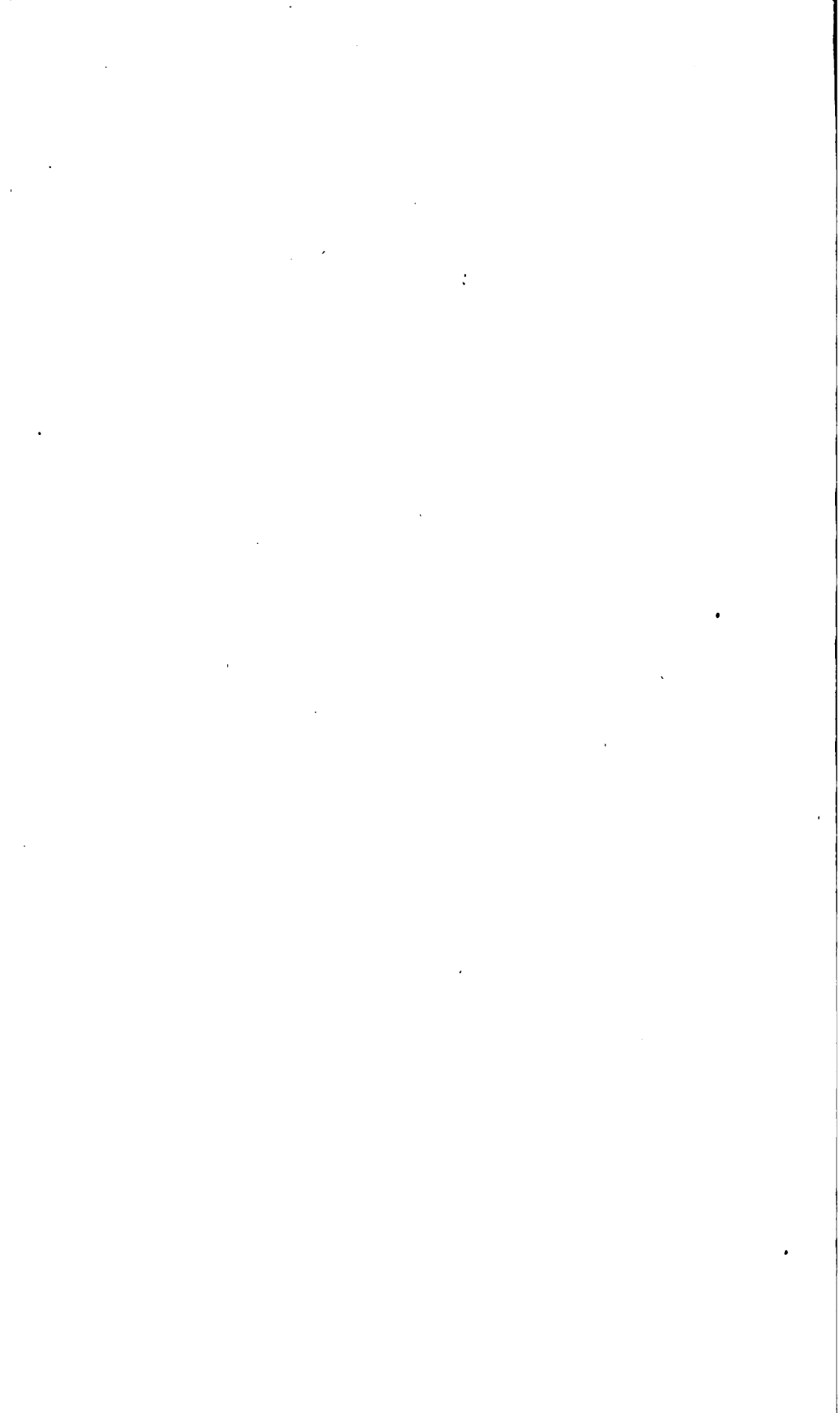
Distribution of profits and losses. 1881, 271, § 1, cl. 2.

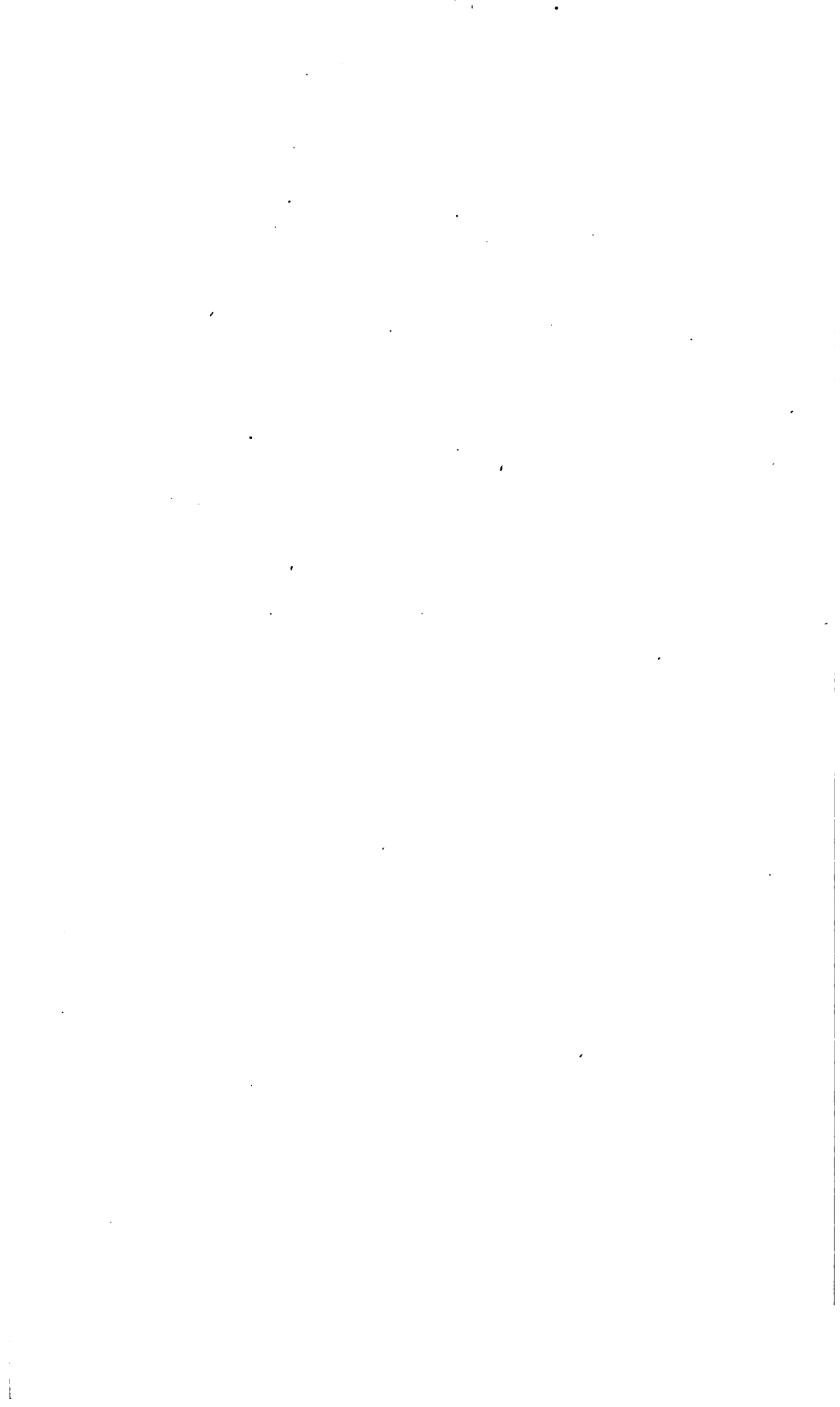
SECT. 19. Any such corporation may purchase at any sale, public or private, any real estate upon which it may have a mortgage, judgment, lien, or other encumbrance, or in which it may have an interest; and may sell, convey, lease, or mortgage, at pleasure, the real estate so purchased, to any person or persons whatsoever. All real estate so acquired shall be sold within five years from the acquisition of title thereto.

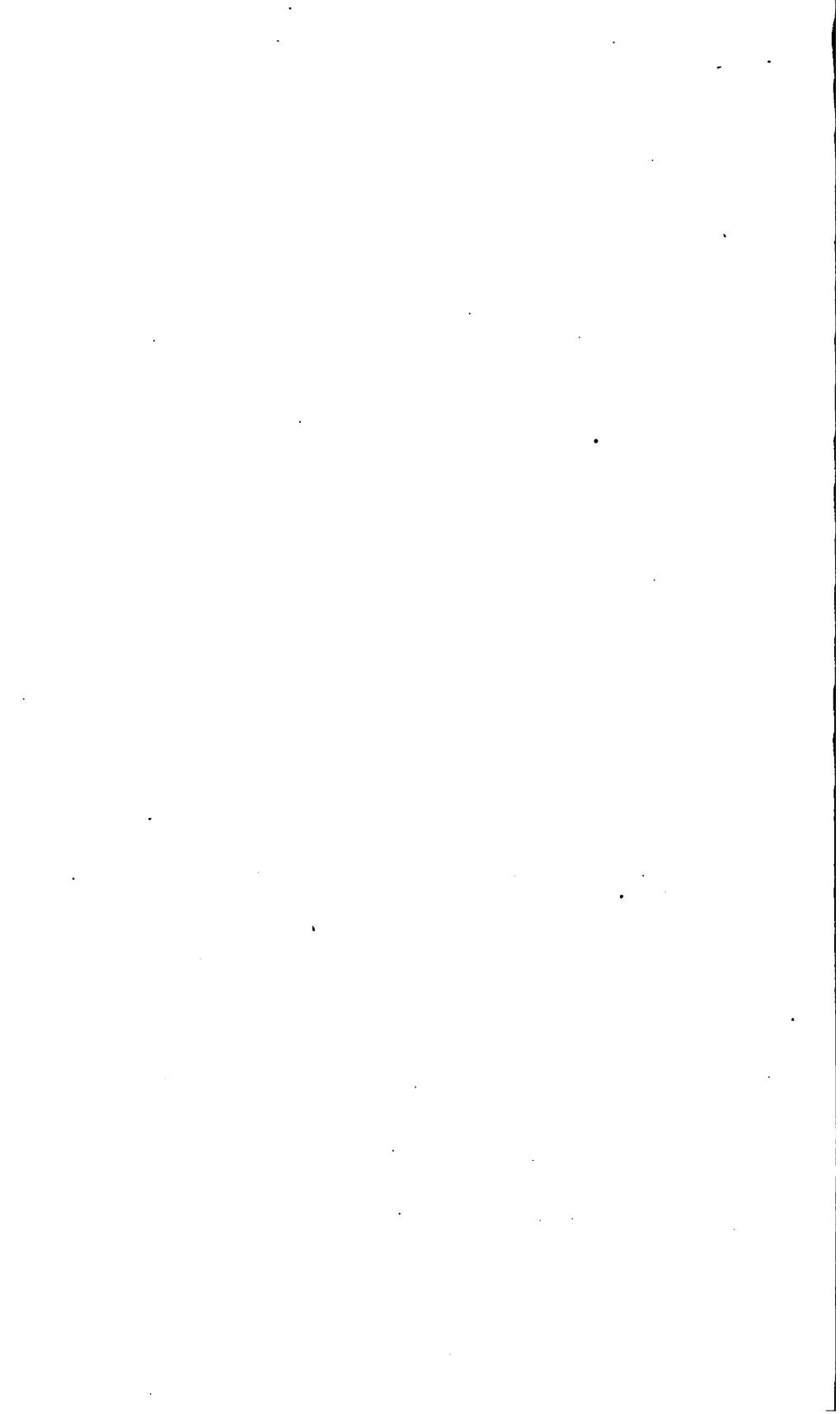
Corporation may buy and sell real estate. 1877, 224, § 17.

SECT. 20. The commissioners of savings banks shall perform in reference to every such corporation the same duties, and shall have the same powers, as are required of or given to them in reference to savings banks, and shall annually make report to the general court of such facts and statements respecting such associations and in such form as they deem that the public interest requires. Every officer of such corporation shall answer truly all inquiries made, and shall make all returns required by the commissioners.

Powers of savings bank commissioners. 1879, 129, §§ 1, 2.











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